# CREDIT AND FINANCIAL MANAGEMENT



DECEMBER
1959

NUMBER 12
VOLUME 61

Inventories Have Many Implications

Developing Personnel Pays Dividends

Mechanized Functions Ease Workload

The Cover Picture ... See Page ...

## *In the News*

JOSEPH T. FOERTH, vice president, comptroller and a director of Bassick Company, Bridgeport, Conn., has been appointed to the national admissions committee of the Comptrollers Institute of America. He is past president of the Credit Managers Association of Southwestern Connecticut.

J. S. SEIDMAN of New York has been elected president of the American Institute of Certified Public Accountants.

THOMAS LEFFORGE, president Commercial Discount Corp., Chicago, and WALTER S. SEIDMAN, partner Jones & Co., New York, have respectively been elected president and chairman of the National Commercial Finance Conference. HERBERT R. SILVERMAN, president James Talcott, Inc., New York, is honorary chairman.

HARRY B. KENNEDY, 87, who helped organize the New Haven Association of Credit Men, was the subject of an "editorial salute" in the *Register*.

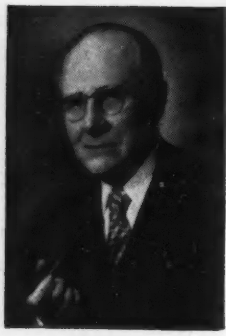
MISS DOROTHY DODD, Graybar Electric Company, Cincinnati, won a United States Treasury Citation for an article promoting sale of U. S. Savings Bonds.

PHIL HEFLIN of Heflin Insurance Agency is president of the Omaha Association of Insurance Agents.

HERBERT A. LISLE, secretary-treasurer of Iselin-Jefferson Company, Inc., and Iselin-Jefferson Financial Company, has been elected chairman of the Financial Group of The Association of Cotton Textile Merchants of New York.

ARTHUR A. BROWN, controller and assistant secretary, Newport News (Va.) *Press and Times-Herald*, is president of the Institute of Newspaper Controllers and Finance Officers.

JAMES C. KARRAS, Mellon National Bank & Trust Co., Pittsburgh, has been appointed assistant treasurer of the Mt. Lebanon Civic League. Mr. Karras is on the membership committee of the Credit Association of Western Pennsylvania and is an official of The Credo Club of Pittsburgh.



# EDITORIAL

## *The Credit Executive — Counselor to Small Business*

WE give a great deal of thought to the credit standing of our customers. Too frequently we give little or no consideration to our own credit standing with them.

Probably the best test of your credit standing with your customers would be their feeling toward consulting you for advice, guidance and help to overcome difficult problems.

There are times in the life of nearly every business when, by error in judgment, through misfortune or circumstances over which there is no human control, your customer in his perplexity would welcome friendly interest of some creditor supplier, who might have an understanding heart and who could be trusted to counsel without a hidden motive.

In such instances, would your customer think of you and your concern? You will search for the answer, not among your own avowals of goodwill and claims of service, but in the vitality of the human touch and relationship which you, and your associates in the company you represent, have been able to establish.

What better counsel could a dealer seek than that of the credit management of his supplier? Whom can a dealer better look to for guidance when confronted by an unfavorable trend in any phase of his operation? Who is better qualified to advise him than a credit executive in whom he has confidence?

The alert credit executive is fully as interested in maintenance of profitable sources of distribution as the sales department. He is creative and will inspire creative effort in his contact with customer or prospective customer. He will work constructively and cooperatively in counseling customer or dealer in the unusual situation or difficulty facing him. He is always interested in continuous increase of sales volume and favorable relations with all customers, and among other responsibilities the credit executive is really a "Director of Customer Relations."

Business is business, but so long as man continues a creature of impulses he will, in a large measure, be moved by sentiment, in business as in all his other activities. And if sentiment arises from the exercise of rationalizing ability as well as moral feelings and confidence, its conclusions may safely be relied upon.

What are your customers' sentiments toward you?

Edwin B. Moran

EXECUTIVE VICE PRESIDENT

## THE DECEMBER COVER

THE moderate profit of the closely held corporation had been withdrawn annually and converted into personal assets, largely real estate. When the founder died, the son brought to the company good technical knowledge but scant business acumen.

Payments became slower and slower. The son and the estate had $150,000 in personal properties, partly encumbered, but the net worth of the business was only $30,000, after $8,000 loss in five months. Many receivables were as many as six months past due.

What to do? "Nothing can take the place of the personal visit", says Francis F. Tozer, credit manager of Michael Flynn Manufacturing Company, Philadelphia, in recounting the steps that have made the account an up-and-coming business again. (See page 16.)

In the front cover picture, right

to left, are Frank F. Flynn, president of the manufacturing company; Thomas M. Forscht, executive vice president; Mr. Tozer, and Leonard Starr, vice president.

Mr. Flynn, who attended St. Francis College in Brooklyn, N.Y., had joined the staff of Michael Flynn, Inc., in 1914. He became president of Michael Flynn Manufacturing Company in 1935.

Mr. Forscht had been associated with the predecessor company, David Lupton Sons Company, from 1917 until organization of Michael Flynn Mfg. Co.

A biographic sketch of Mr. Tozer appears on page 16.

Mr. Starr has been associated with the company since 1933, when he obtained his master's degree in chemical engineering from City College of New York.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## IN THIS ISSUE




**EDITOR** Ernest A. Rovelstad

**ASSOCIATE EDITOR** Lillian Bermont

**CONTRIBUTING EDITOR** Carl B. Everberg, Atty.

**ADVERTISING & BUSINESS MANAGER** Edwin B. Moran

***ADVERTISING REPRESENTATIVES***

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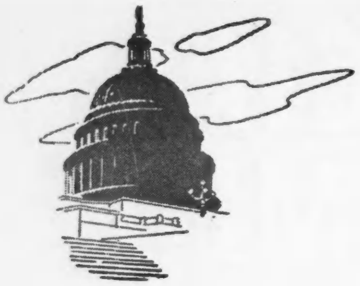


# Washington

¶ ONE of the final enactments of the New Hampshire legislature was the signing of the New Hampshire Uniform Commercial Code on August 27, 1959. The Act becomes effective July 1, 1961. New Hampshire is the fifth state to adopt the Code.

Pennsylvania and Massachusetts are the only states in which the Code is now effective. In Kentucky it becomes effective July 1, 1960 and in Connecticut on Oct. 1, 1961. In Pennsylvania, this year, legislation was adopted revising the Code, bringing it into conformance with the Code as subsequently enacted by the other states. In Pennsylvania it was originally adopted in 1953 and became effective there on July 1, 1954.

The Uniform Commercial Code comprises these main subjects: Sales; Commercial Paper; Bank Deposits and Collections; Letters of Credit; Bulk Transfers; Warehouse Receipts, Bills of Lading and other documents of Title; Investment Securities; and Secured Transactions. In the subject of Secured Transactions are included chattel mortgages, trust deeds, factor's liens, conditional sales, bailment leases, trust receipts, pledges, assignments and other types of liens or title retention contracts and leases intended as security. In all subjects covered in the Code, substantial changes have been made in many aspects from existing statutory and case law.

Copies of the Code may be obtained from American Law Institute, 133 South 36th St., Philadelphia 4, Pa.

¶ FIXING the 1960 national cotton acreage allotment at the legal minimum of 16 million acres, Ezra T. Benson, secretary of agriculture, said cotton growers will vote December 15 in a referendum to accept or reject marketing quotas for the crop. He added that farmers willing to accept lower price supports in return for increased production will be allowed to increase their individual acreage allotment by 40 per cent.

¶ WITH record imports there will be a near-balance in U.S. foreign trade this year, says the balance-of-payments group of the National Foreign Trade Council, revising its January forecast.

1959 exports are now estimated at $15.9 billions (exclusive of military aid shipments), a sharp drop from the $17.1 earlier forecast. Last year they were $16.2 billions, a 14 per cent decrease from 1957.

The $15 billion imports estimate would be $1.8 above last year's and a peak record, $1.2 billions higher than predicted in January.

With other transactions adding to trade earnings abroad, including U.S. expenditures for transportation, tourism, services, economic aid and net outgo of private investment, the Council's group foresees almost exact balance of U.S. exports and imports of goods and services, at $23.1 billions, with foreign countries as a whole increasing their gold and liquid dollar assets by $4.9 billions. All in all, the group believes our export trade will show improvement for the second half.

¶ GROSS NATIONAL PRODUCT reached a record annual rate of $483.5 billions in the second quarter, and personal income after taxes (per capita disposable income) also set a new high, even after discounting the reduced value of the dollar. The GNP estimate reflected a gain of $13.3 billions over the first quarter; real gain $10.4 billions, the difference by high prices.

¶ NEW CREDITS granted Chile by the United States are part of an economic development and exchange stabilization program that will exceed $135 millions. A $15 million exchange stabilization agreement was signed, following a similar arrangement with the International Monetary Fund.

¶ STEPS to revive railroad passenger travel, including such specific steps as tax relief and revised working rules, have been urgently recommended by the interstate commerce commission.

Proposed are Congressional review and recasting of labor-management relations, especially in terms of working rules for employees, and a study of subsidies, which the commission termed "public expenditures which operate to the disadvantage of the railroads."

¶ BUSINESS ahead looks good for nine large industries despite some unfavorable factors, the press was told at a conference sponsored by the American Society of Association Executives, Washington, D.C. On the negative side were these factors: steel strike, export decrease and import increase in electric products, tight money policies of the Administration, and the insuf-

ficiency of expansion funds of utility companies.

Industries represented were consumer finance, electrical products, gas utilities, home construction, retailing, scientific instruments, steel, transportation, and wholesaling.

℄ MANY of the policies of Ezra Taft Benson, secretary of agriculture, are paralleled in a draft for a declaration of "guiding principles" on farm price support for the 76 member countries of the United Nations' Food and Agriculture Organization. The proposed code, by farm economists from 25 nations, was to go before the FAO meeting in November.

℄ FINAL national average price support for the 1959 rice crop: $4.38 a hundredweight. The preliminary price announced in February by the department of agriculture stayed unchanged.

***OFFICIAL TEXTS — of all mobilization agency regulations may be had, free of charge, by writing the Information Division of the agency involved, Washington 25, D.C.***

***THE FEDERAL REGISTER—a Government daily publication, which contains full texts of all regulations, is available from the Superintendent of Documents, also at Washington 25, D.C.***

℄ PLANT and equipment outlays by industry will reach a $35 billion annual rate this fourth quarter, despite tight money and the steel strike, says Leo Cherne, executive director, Research Institute of America, in a report of a survey of members.

Though the steel strike clouds the Christmas retail picture and necessitated some allocation of shipments from manufacturers, "holiday sales are expected to soar."

℄ CALLING the present volume of imports of crude oil and refined products a threat to national security, President Eisenhower clamped mandatory controls on all petroleum imports. Licenses from the secretary of the interior were immediately made prerequisite for all crude or unfinished petroleum products, and the same restrictions on finished products and residual oil.

℄ IMPORT QUOTAS on rye meal and rye flour were continued by President Eisenhower for the next two years (ending June 30, 1961) at the current level of 196 million pounds a year. No more than 15 million pounds may be flour or meal; 192,280,000 pounds of the quota are to be from Canada.

℄ ACCELERATED economic activity among the six member nations of the European Economic Community (the socalled common market) has been especially noticeable in industrial production, says its executive commission. From a 1.8 per cent increase in the first quarter, the gain spurted to 6.4 per cent in the second quarter, and the commission predicted a fourth quarter 6.5 to 7.5 per cent above the like period in 1958. The upward trend was noted for all members—France, West Germany, Italy, Belgium, the Netherlands, and Luxembourg.

The gains were attributed primarily to improved inventory investments and export business.

℄ INTO EFFECT recently went a new move by the Federal Reserve to tighten stock market margin regulations, though several important modifications were made in the original program to meet protests from industry.

A holder of stock in a so-called restricted account now is required to put up more margin whenever he makes a transaction in that stock or withdraws cash from his account. However, extra margin need not be put up if he sells one stock and purchases another of equal market value on the same day.

Other new rules apply to loans by banks. For example, both a bank officer and the borrower must sign a statement that a loan is not for purchasing or carrying additional securities. In general, the new regulations clarify and tighten the definition of carrying securities in relation to bank loans for that purpose.

℄ SALE of 265 million pounds of coconut oil is planned by the Government, in lots of 10 millions to 14 million, on a competitive basis. The required six months notice was issued.

℄ MANUFACTURING'S dollar profits in the second quarter rose to a record $4.9 billions after-tax total on record sales of $88.4 billions. In terms of percentage of sales, profits were 5.5 per cent and in percentage of stockholders' equity were up 12.5, neither of these a record.

Profits in the first quarter were $3.8 billions; in the second quarter last year $2.8 billions, the Federal Trade Commission and Securities and Exchange Commission reported. Sales were 10 per cent higher than in the first quarter this year.

℄ SMALL BUSINESS showed improvement in the first half year and the Small Business Administration increased its services substantially, says Wendell B. Barnes, SBA administrator.

The 4,589,200 business firms of January 1 represented an increase of 349,400 in five years to an all-time high. New business incorporations in the first six months—103,130—were 46 per cent more than in the like period in 1958.

Of the 5,232 SBA business loan applications January-June, 2,954 were approved. Both totals were records. The $714.2 millions in Government purchases set aside for small firms were $30 millions higher than for the second half of 1958.

# Developing Personnel Pays Big Dividends

MANY facets of training and credit personnel development reflected the wide areas of education for professional efficiency in the panel discussion at the 63d Annual Credit Congress, in Dallas.

K. CALVIN SOMMER

K. Calvin Sommer, treasurer Youngstown Sheet and Tube Company, Youngstown, Ohio, introduced the panelists and their topics.

Selection and development of trainees was the subject of Robert M. Gardineer, assistant to the general credit manager of Continental Can Company, New York. Off-the-job training—formal and personal (technical) was analyzed by Oscar W. Harigel, vice president Houston National Bank. General management training was the theme of Raymond T. Custer, district financial manager Graybar Electric Company, Inc., Boston. The fourth and final topic—self-improvement, human development and growth—was presented by J. Homer Hilf, district credit manager Aluminum Company of America, Chicago.

## *Factors: Favorable "Climate", Selected Personnel, Program*

ROBERT M. GARDINEER, *Assistant to General Credit Manager, Continental Can Company, New York, N.Y.*

SELECTION and training of personnel is one of the most important responsibilities of credit management, and is deserving of all the time and attention that can possibly be devoted to it!

R. M. GARDINEER

The fact that selecting and training people costs money is reason enough to suggest that any company, large or small, is well-advised to have a planned program which will insure that a trained successor is ready to move into each key job. We as credit executives know only too well of situations that have proved exceedingly costly because no provisions were made for planned succession.

At Continental Can Company we estimate at about $15,000 our out-of-pocket costs just to put one young man through our credit department training program, and we usually have three or four in training at any one time. We naturally try very hard to avoid pouring any of that money down the drain.

**The basic ingredients for effective training are:**

**(1) A favorable "climate" within the company; (2) carefully selected personnel; (3) a carefully planned and well defined program.**

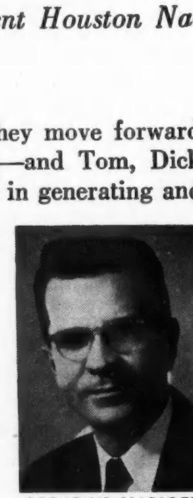
Obviously, unless top management lends the program its support, you have trouble on your hands at the very outset. With top management's indorsement, however, it is reasonable to expect that your company is willing to spend the necessary time, effort and money to obtain and develop competent personnel. It is also reasonable to expect that the middle management group will be willing to cooperate by participating in a training

*(Concluded on page 27)*

## *Formal Classes Preferred for Off-the-Job Training Program*

OSCAR W. HARIGEL, *Vice President Houston National Bank, Houston, Texas*

BUSINESSES are built on ideas—they move forward on ideas. But even if you and I—and Tom, Dick and Harry—were as prolific as rabbits in generating and refining wonderfully sound ideas, not one of us would have either the time or physical energy to put half of them to practical use. Unless you have teammates sufficiently trained to move your ideas down the field and across the goal-line, all your managerial thoughts and skills from the bench won't win the game.



OSCAR W. HARIGEL

Considering there are about 175 millions of us individuals roaming the hills and valleys of these United States, it shouldn't be too difficult to get one, two, three or a dozen trained people to work with us. Somehow, though, it just doesn't work out that way. The ideal associate we seek is a person with a great deal of natural business acumen, well-rounded academic training and a considerable amount of experience in our own field. Such people, unlike bananas, don't come in bunches. So we must do the next best thing: seek out those with most of the attributes we desire and then pare the corners off the square pegs so that they'll fit, by training them after they are on the payroll.

**A great deal of experience, and very worthwhile experience, can be acquired by a person in the daily performance of his assigned tasks. But that's such a terribly slow process. We are caught up in a feverish whirlwind of activity, whether we like it or not. Confronted with this seemingly unstoppable race against time we can't afford to indulge a person to use up threescore of his Biblically**

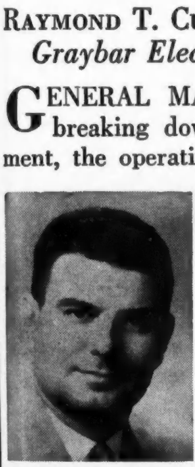
*(Continued on page 27)*

*PARTICIPATING in the panel discussion of training and developing of credit personnel at the 63d Annual Credit Congress in Dallas were the following: (left to right) J. Homer Hilf, Chicago, district credit manager Aluminum Company of America; Raymond T. Custer, Boston, district financial manager Graybar Electric Company, Inc.; the moderator, K. Calvin Sommer, Youngstown, treasurer Youngstown Sheet and Tube Company; Oscar W. Harigel, Houston, vice president Houston National Bank, and Robert M. Gardineer, New York, assistant to general credit manager Continental Can Company.*

# *Training Staff Gives Executive Opening for a Bigger Job Ahead*

RAYMOND T. CUSTER, *District Financial Manager, Graybar Electric Company, Inc., Boston, Mass.*

GENERAL MANAGEMENT training to me means breaking down barriers between the sales department, the operating or production department, and the credit department. This can successfully be done by understanding and cooperation. We would then have a credit executive who would think on a broad basis and at a high level, one who would think big.



RAYMOND T. CUSTER

This executive would not be too much concerned with detail, for he would have already developed sufficient experience and knowledge so that the details of any activity would be delegated.

**He would have breadth of outlook, greater awareness of what his job demands, more skill and personal leadership, more effective use of his time, and more determination in mapping his course and that of others.**

He would have a way of thinking about business problems from an overall point of view and be able to help deal with matters involving formation of policy. He would be able to develop the maximum amount of teamwork.

This executive would not work as an individual but would take into account all the facts that contribute to a right solution of problems involving differences of convictions and opinions within groups. He would, as they say, be able to see the forest and not just the trees. He would have become big and strong—big enough for the shoes he has to fill, strong enough for the power he has to wield.

This executive might be fat or thin: short or tall, bald or heavily thatched, clean shaven or bearded—in fact,

*(Continued on page 10)*

# *Solve Problems by Applying Experience to Today's Facts*

J. HOMER HILF, *District Credit Manager Aluminum Company of America, Chicago, Illinois*

IN the position of clean-up batter, with three men on base (the three preceding panelists), it is our aim to bring their thoughts into focus so that we may apply to ourselves such of them as may be required to make us better credit people tomorrow. Furthermore, we thus shall be able to carry these thoughts to others in junior capacities, so that they may be properly guided by us to become more useful in the days ahead, to both themselves and their employers.

J. HOMER HILF

In the program of self-improvement, in the process of human development and growth, every day brings us additional experiences from which to profit. There is the unusual credit situation encountered. We discuss it with another supplier, then formulate a plan for solution. We meet daily with new conditions in both new and old accounts.

**We learn to solve today's problems by yesterday's experiences applied to today's facts. This is a continuous process. By this we mature. By this we become of greater value to ourselves and to those who purchase our services.**

**Experience therefore is the storehouse or toolroom from which we draw our greatest strength. Upon the experiences of others we build the solutions to our own.**

Formal education is founded upon conclusions reached out of their experiences. The opportunities open for self-improvement, development and growth, through the National and its affiliated associations, are many. There are the series of educational meetings arranged by the local association, the courses available at evening schools of accredited universities and colleges, the extension courses, the program of the National Institute of Credit with its Associate and Fellow degrees. And for advanced study

and application the Graduate School of Credit and Financial Management offers the Executive Award, at Dartmouth and Stanford.

Today's work is tomorrow's experience through informal education. Fill in every moment with objective work and thinking. Run down the reasons for the slow accounts and try to evolve a progressive program to improve them. Keep ears and eyes open to what is going on, both in credit developments within your industry and in the wider field of economic trends. Be liberal with your efforts to improve your worth to your company.

Your daily intake of new facts is one measure of those efforts and a means to such information is consistent reading—reading of your industry magazines and trade papers: Credit and Financial Management, such publications as Business Week, and Wall Street Journal, and the financial pages of your local newspapers.

**Train yourself in the art of an honest and logical approach to the problem at hand, which in turn will give you the ability to conscientiously "sell" the idea to your customer.**

Any departure from the policy of your company, from strictly honest dealings or arrangements, from high principles of business, from sound credit practices, will result in loss of prestige for you and your company. Don't throw the rule book away.

Finally, and not least importantly, take a look in the mirror. Just as personal appearance should be conservative, in keeping with position in the company, so behavior should conform to professional status. A pleasant bearing, coupled with tact, is indicated in relations with both salesmen and customers. Work done must obviously be thorough and accurate, the wording of both letters and conversations carefully selected, social amenities observed. Be a part of civic and church activities. Identify yourself with the proper people. In a word, be personable.

## RAYMOND T. CUSTER

*(Continued from preceding page)*

look like other men who are not business leaders. What would make the difference? He would have administrative competence and the power to make men follow him, because of his personal attributes.

He would know what goes on beyond his own specialties and interest. He would be emotionally stable, without the ups and downs of a camel's back, not misleading his caravan of workers. He would not be confusingly moody or inconsistent. His reactions could be judged and his co-workers would know what was expected of them. They would not fall apart as a team. He would not permit his personal feelings to intrude on the job.

He would be skillful with people, for he would realize the importance of people to himself and to his business. He would be very sensitive to what makes them tick—their desires, motives and ambitions. He would not necessarily have to have a degree in psychology, but he would have the knowledge that the men under him would follow his example. That openness with people (not bloodlessness or insincerity) would develop a firm, pleasant relationship that would lead them into the necessary activity.

He would not let the pressure of an immediate problem cause him to make decisions which possibly could create serious problems elsewhere in the organization. He would be effective by taking a conceptual view of his problems—every decision he made would benefit the entire company.

He would know not just credit operations but all operations of his company; that is, he would be at least conversant with activities outside his own special field.

This credit executive would be concerned about the nature of his company's business and would be thinking about answers to the question, "What does our business have to do in order to be successful?".

He would hold frequent informal meetings for orientation and information purposes. He would be able to answer positively these questions. "What are the most important functions of our business?" and "How well do my men understand these functions?"

### *A Playing Member on Sales Team*

The member of the team specializing in sales would know that the credit executive recognizes the difference between a buyer's and a seller's market, knows the significance of a socalled calculated risk. He would be considered by the sales department as a playing member of the sales team, not as a bench warmer, score keeper, or bat boy.

Our executive would be sales-minded. This does not mean that he would think as a sales executive and forget his specialized talents and responsibilities. It would mean that he would recognize the opportunity to use his specialized talents and knowledge as an integral part of the sales program designed to achieve a win for the sales team.

**The sales executive knows that volume alone is not enough; it must be profitable volume. Our credit executive would help find prospects and develop profitable business.**

Most letters he'd write would be fine selling letters. A credit letter that can influence sales volume is positively the hallmark of teamwork. He would be recognized as a specialist; he could and would contribute to sales planning. Sound sales planning has an important credit phase. A program directed at improving competitive position, introducing a new line, at opening a new market—in any one of these cases, the credit policy would be reviewed to be sure it was in line with the objective.

### *Not Governed by Formula*

Our executive would recognize that the desire or willingness to pay is more important than the ability to pay, in making credit decisions. Not all decisions would be made by applying a formula to a financial statement.

He would attend sales meetings, and discuss the company's credit and collection policy with each new salesman.

His credit policies would not be out of date, would fluctuate with market conditions. They would be tightened or loosened, depending on how much sales volume was needed. His credit lines would be used as sales goals and he himself would be an ambassador of goodwill.

Our executive would have earned the authority his position carries with it and he would have done so by being the kind of person in whom people have faith

*(Continued on page 28)*

# Inventories Have Many Credit Implications

## *Totals Are Valuations by Someone Else, So Study Them, CPA Advises*


**By DONALD L. ALEXANDER**
***Partner***
**Rouse, Rankin & Co., CPAs**
***Cincinnati, Ohio***


INVENTORIES in most balance sheets make up a very large portion of the total current assets. It is therefore imperative to learn everything possible about them.

D. L. ALEXANDER

Inventories do not represent definite claims to dollars. They must first pass through a potentially hazardous sales process before they become fixed in absolute monetary value. Thus the value of inventories is susceptible to changing price levels, fluctuations in business activity, variations in consumer demand, obsolescence, and supersession.

**In viewing inventories in the balance sheet, remember that the total shown is the result of somebody's enumeration of quantity and somebody's valuation of the items.**

**It is of the utmost importance to establish the integrity of the quantities and the validity of the principles used in the evaluation process.**

How were these quantities arrived at? By actual physical count? By reference to perpetual inventory records? By a combination of actual count and reference to perpetual records? Did a CPA firm observe the taking of the inventory? Or were the inventories perhaps estimated by some foreman or official who went around, took a quick look, and said, "Oh, there's about $70,000 here in stockroom A—no, make it $85,000; and in stockroom B we have $60,000 or so."

Perhaps the quantities were arrived at by actual count, *deliberately overstated.* This happened sometime ago in a company in which the manager was paid a bonus based on profits. After this had gone on a couple of years someone became suspicious, and a CPA firm was called in to observe the taking of the next physical inventory.

It was soon brought to light that this manager, one of the inventory takers, was consistently recording considerably more quantities than were actually on the shelves. Investigation established the fact that this manager had deliberately overstated the two prior year inventories approximately $30,000 and $45,000 each year.

How was the value of the inventories arrived at? Were they valued on the basis of cost or market whichever lower? On the basis of cost of latest units purchased? On an average of cost of all units purchased? At actual cost of specific lots?

***GRADUATE of the University of Cincinnati and certified public accountant, State of Ohio, Donald L. Alexander is a partner in Rouse, Rankin and Company, CPAs, Cincinnati.***

***Mr. Alexander is past director and vice president and currently secretary-treasurer of the Ohio Society of Certified Public Accountants and is a past director and now vice president of the Cincinnati Chapter of the National Association of Accountants.***

Or perhaps by the Last-In-First-Out method? If this method was used the report should show, in addition to the valuation on the LIFO basis, the valuation at current market replacement costs. Under LIFO, inventories are shown at values of the somewhat distant past, and to attempt to measure inventory turnover by comparing the cost of goods sold at prices current during the year, with inventory valued at prices of perhaps a decade earlier, would be quite misleading.

In the case of manufacturers, do they have comprehensive cost records? Do they use standard costs; if so, how and when were such standards established?

What about obsolete and slow-moving inventories? Have such items been written off or written down? And does the report mention the circumstances and the amount, if substantial?

Circumstances may arise which greatly diminish merchandise value: change in style, declines in value accompanying a business cycle, errors in demand anticipation, as well as physical deterioration.

It is of course highly desirable to know of such declines or possible declines in value.

### *Breakdown of Inventories*

Does the report show a breakdown of inventories as between finished goods, goods in process, raw materials, supplies?

Such a breakdown is most necessary if one is to be in a position to make the best possible analysis of the inventories in the case of manufacturing companies.

Raw materials are generally of much greater value, proportionately in case of a forced sale, than goods in process. Raw materials are not subject to radical style changes, and therefore are more readily convertible into cash.

Goods in process require additional merchandise, labor, and time before they are rendered salable.

Finished goods are more readily disposed of than merchandise in process.

These are all important considerations and must be kept in mind when arriving at the worth of inventories from a credit standpoint.

### *Date of Inventory*

The date of the inventory is another matter for careful consideration.

The time of the year in which the statement is prepared will make a substantial difference in its proportional relationships, arrived at by various ratio analyses. Because of variations in the demand, the stock of goods may be abnormally large

during certain parts of the year and exceedingly low during others.

What about merchandise which is pledged as security or *is subject to liens?*

For determining debt-paying power of the inventory, the pledged items must be omitted from the inventory item.

However, since such merchandise is a part of the inventory, it should be included for the purpose of evaluating the size of the entire inventory in relation to the sales and otherwise to judge its adequacy.

Again, the loan for which the merchandise is pledged being shown among the liabilities, the pledged merchandise must be shown on the asset side of the balance sheet, but properly footnoted to indicate its position and unavailability for payment of bills to unsecured creditors.

***Merchandise Consigned for Sale***

There is the problem of merchan dise consigned for sale.

Such merchandise should be excluded from the inventories of the consignee, but included instead in the inventory of the consignor. It constitutes the property of the one who has consigned it and does not belong to the consignee.

Merchandise in transit. This is another item that must be given consideration. If merchandise is sent FOB shipping point, title passes to the purchaser when the goods are put in the hands of the common carrier and his ownership and liability date from that moment.

Purchase commitments should be given careful consideration. The extent of the purchase commitments existing at the statement date, for merchandise and materials the title to which has not passed, is of interest to the analyst in viewing the inventory total. Abnormally large commitments in relation to inventories and manufacturing and sales needs suggest that inventories may have been forced down for window-dressing purposes.

Insurance on merchandise is a very important factor in inventories, and the credit grantor will want to consider the adequacy or inadequacy of such coverage.

Following are a few questions and answers prepared by the American Institute of Certified Public Accountants, which will be of interest.

*What responsibility does the CPA assume for the correctness of inventories?*

The CPA's procedures are designed to satisfy him that the amounts set forth by the company as inventories represent actual inventories either on or off the client's premises, that they are presented with reasonable accuracy and in accordance with generally accepted accounting principles consistently applied, and that the bases of stating the inventories, as well as any pledge or assignment of inventories, are properly disclosed.

The objectives require the CPA to investigate the care and accuracy with which the company has taken the inventories, the methods and bases adopted by the company in pricing them, and the substantial correctness of the company's mathematical computations. The CPA does not hold himself out as an appraiser, valuer, or expert in materials. He does not "take", "determine," or "supervise" the inventory.

*What is observation of inventories?*

To satisfy himself that the taking of the inventories was done carefully and accurately, and also to gain general familiarity with them, the CPA is required by generally accepted auditing practice to be present at the inventory-taking to observe the effectiveness of the procedures, when it is practicable and reasonable to do so and the amount of the inventories is significant.

Although the CPA may review and approve the instructions for taking the inventories and may test some items, it is the company's responsibility to take the inventory satisfactorily. The CPA's purpose in observing the inventory-taking is to satisfy himself that the company is discharging its responsibility.

*What does the CPA do to satisfy himself as to the fairness of the value at which inventories are stated?*

It is the CPA's duty to make sufficient tests to satisfy himself that the method, or combination of methods, used to determine "cost" and "market" is being applied properly and consistently. To do this, it is generally necessary to make rather extensive tests of the inventory records. These tests may include comparisons of items as shown by the inventory-taking with quantities shown on the records, inspection of purchase invoices, investigation of current market quotations, and verification of footings and extensions. They may also involve a general examination of the company's cost system, including a review of the allocation of overhead, as a check upon the pricing or value of inventories of work in process and finished goods.

*What does the CPA do about determining the extent of obsolescence of inventories?*

Throughout the inventory examination the CPA is on the alert to detect obsolete and slow-moving stock, and to ascertain that adequate provision has been made to cover any probable substantial losses thereon.

*What does the CPA do as to inventory purchase commitments?*

The CPA's primary objective with respect to purchase commitments is to satisfy himself that adequate provision has been made for indicated probable losses. Evidence of such commitments may be disclosed in almost any phase of the examination, and the CPA investigates any leads obtained.

He also makes general inquiry among those who would be in a position to have knowledge of such commitments, and often obtains a letter of representation from the management to the effect that adequate provision has been made for all expected losses.

In short, inventories do have many credit implications, and credit men and we CPA's can do much for the American businessman by resolving the various implications in the best possible manner.

***"Clients have asked us where the dividing line is between manual and mechanical processing of payroll. Our best estimate of the transfer from manual methods to punched card methods is that it requires about 200 employees to make the machine processing profitable to an organization."***

**Dr. E. F. Blanche,**
**E. E. Blanche & Associates**

## Commercial Law League Names W. A. Kennedy Vice President

W. Alex Kennedy, Detroit attorney and formerly general credit manager of Morley Bros. Hardware Company at Saginaw and Detroit, has been elected vice president of the Commercial Law League of America. Under traditional procedure he will become president for the 1960-61 term.

W. A. KENNEDY

Mr. Kennedy, of the law firm of McCabe, Middleton and Kennedy, has been active in the Detroit Association of Credit Management.

After early schooling at Embro, Ontario, he was graduated from Detroit College of Law. From 1938 to 1947, excepting a period of service as an agent in the Counter Intelligence Corps in World War II, he was closely associated with credit matters.

## Study Auto Accident Causes By "Flashback" Technique

Under a five-year pioneering project sponsored by the U.S. Public Health Service, specialist-teams will probe the cause of fatal highway accidents by a study leading from the event back to the possible cause. Alfred L. Mosely, research psychologist, and Dr. Richard Ford, chairman of the Harvard Medical School Department of legal medicine, will direct the project in the Greater Boston area.

Following an accident a four-man team of specialists, alerted by police, will go to the scene. Persons involved will be interviewed at the site, police station, hospital or home. Mechanics will go over the accident vehicle, with an automotive engineer as supervisor. A traffic engineer will make a study of the traffic factors, weather conditions, illumination, visibility. A scientist skilled in the knowledge of how people move and how they fit into vehicles will make measurements with relation to visibility, reaching vital controls and contours of seats. Background studies by social workers and psychiatrists will go into the emotional histories of those involved in accidents.

# Building a Bridge of Experience Behind You Opens Road Ahead to Good Collection Goal

BUILD a bridge *behind* you—a readily available record of past unsatisfactory experience—and you can better clear the road ahead for maintenance of a good collection condition by proper organization, method and effort, says Harold J. Kneuker, assistant treasurer—credit and collections, American Machine and Foundry Company, New York.

H. J. KNEUKER

Somewhere, on the inside cover of a credit file or on a credit card however small, a simple but permanent notation should be made of whatever was involved in an unsatisfactory experience, Mr. Kneuker advises. "It may be only chronic discount chiseling or repeated extremely slow pay, but it could also be items which cost you money to settle, such as unjust claims, or collection agency fees.

"This can be a handy record when vacation time rolls around. Different personnel may be handling orders, or you yourself may be pinch-hitting. In either case the background record helps overcome lack of familiarity with individual accounts and is advantageous in training new personnel."

### *Toes Stubbed on Assumptions*

Absence of factual information on a customer can force a credit manager into assumptions, "and that is where we stub our toes", Mr. Kneuker told members of the National Office Management Association in Canada, meeting at Kitchener, Ont. The group consisted largely of executives who combine office and credit management in their companies, and the guest speaker's subject was "Credit—Problems and Controls."

**"It is when an order or account gets beyond the limits of rating yardsticks or is borderline credit-wise that assumptions can lead to the more than normal risk," he explained. "Judge the facts, but be careful in your assumptions."**

***AFTER being supervising accountant and auditor of Chemical Construction Corp., New York, subsidiary of American Cyanamid Corp., Harold J. Kneuker joined the American Machine & Foundry Co. organization, and was credit manager of the Pinspotters Division. Four years later he became credit manager of the parent company, in 1957 assistant treasurer-credit and collections.***

***Mr. Kneuker attended New York University and holds the Executive Award of NACM's Graduate School of Credit and Financial Management (Dartmouth.)***

The executive urged more than a quick glance at the trade clearance and financial information in an agency report, adding: Consider the management's qualifications and histories, how long in business, whether connected with previous failures, if they have demonstrated ability to operate at a profit. If financial information is scanty, consider the advisability of contacting the customer personally, or his bank.

### *11 Points to Keep in Mind*

Mr. Kneuker presents these 11 points to have in mind: Customer's financial status, amount due, type of product being sold him, nature of the business organization (individual, partnership, or corporation), advisability of personal guaranties, assignments or other protection, company's growth status, share of profits plowed in, unfavorable trends such as declining earnings or working capital, positions as to quick assets, current assets, inventory and total debt, cover-extension, ratio of accounts payable to inventory ("if more than inventory, you may be carrying the customer's fixed assets").

"Frequently, one unfavorable development or factor will beget another, and each one becomes a link in a tightening chain," the office and credit managers were told. What to do when encountering such weaknesses will vary. "Sight draft or stricter terms may be the answer—or personal guaranty. Indorsed notes for present balances and strict adherence to discount may be the solution. The important point is to spot the weakness and do whatever you reasonably can do to make a weak account a better protected one."

Fraud, he cautioned, usually stems from unsolicited mail orders from new accounts.

### *Stock versus Specialty Items*

"Stock items can justify more liberal credit treatment than specialty merchandise. A modest limit based on a report or rating is usually a sound start. Then watch how the account develops and revise the limit accordingly. If the account is relatively large, consider whether you need a balance sheet or profit-and-loss statement to do the account justice. Yardsticks must be flexible. The meter is longer than the yard, and for some measurements more appropriate.

"Soundness of the customer and the possibility of some recovery and resale of stock items can enter importantly into stretching of the limit due to special developments or seasonal factors.

### *Need of Financial Data*

"The further you go with a credit line beyond a reasonable amount in relation to working capital and net worth, the more careful you should be about sufficiency of financial data and possible element of additional protection."

**More conservative views should be taken of specialty items—partly or entirely to customers' specifications, Mr. Kneuker pointed out. "Interpretations of credit factors, as well as 'policing', should be stricter, and any necessary corrective steps a bit more severe.**

"On partly special items, you might continue a fixed amount on open account and get cash with order for any excess. In some cases you

might consider the order on a basis of, say, 50 per cent cash in advance.

"For entirely special items (except military or very substantial accounts well known to you) you might try to get ample protection based on estimated costs and rates of production. A deposit to cover, say, six weeks run may allow time for initial shipments to be paid on net 30-day terms, and if payment is prompt that deposit will be a continuing protection against the last shipments.

"Another method is to establish a basis of payment calling for a deposit and regular monthly payments sufficient to always keep you ahead of estimated costs.

"Either way, you would be in a position to discontinue work if the default situation looked bad, though stopping a production run is a serious thing."

### *Judgment in Collection Work*

Exercise of judgment is equally imperative in collection effort, Mr. Kneuker declared. "It costs money to collect money, but haste in turning accounts over to collection agencies or attorneys can get to be expensive, and can also indicate something is lacking in persistent or thorough collection effort. At rates up to 20 per cent it would not take too great a volume to equal a year's salary for a collection man. Putting forth every effort ourselves before relying on outside services can save money as well as goodwill.

**"When letters fail, the long-distance telephone may do the trick, or the cooperation of the salesman, or a visit to the customer when the amount justifies it. All these steps mean increased expense but in the long run will cost less than outside sources.**

"If you have to grant an extension, you usually can obtain interest and, more importantly, you may be able to use the extension as a good reason to further protect yourself by personal indorsements on notes, or guaranties on future business as well.

"When you must utilize outside collection services, be prepared to go all the way, right through to suing, if necessary."

Sometimes, he observed, "we must convince customers that they should help themselves instead of looking to creditors to carry their burden."

"Lazy money," lying around in slow receivables, must be stirred up, Mr. Kneuker urged.

"Not too long ago, bank loans became increasingly difficult to get. The interest rates climbed and the compensating balances demanded got to be pretty rough. It reached the point where 4½ per cent wasn't 4½ per cent but actually over 7 per cent, and here's how it worked:

| | | | |
|---|---|---|---|
| Line | $2,000,000—4½% | | |
| Use | $1,000,000 | | $45,000—4.50% |
| 20% Balance | 200,000 | | |
| Get | $ 800,000 | Pay | 45,000—5.62% |
| 10% Bal. on Unused | $ 100,000 | | |
| Get | $ 700,000 | Pay | 45,000—6.42% |
| ½% Standby on $1MM unused | | Pay | 5,000 |
| So | $ 700,000 | Can Cost | $50,000—7.14% |

"How much you have tied up in 'lazy money' and for how long will depend entirely on you and the controls and collection follow-up procedures you establish and *maintain*. Avoid deviations. Don't let receivables and their collection become the 'orphan.' To do so results not only in increased cost of the larger investment but can readily lead to losses which might have been reduced or avoided entirely."

### *Monthly Trial Balance and Ageing*

A monthly trial balance and ageing of receivables Mr. Kneuker calls fundamental. "If only the past-due items are listed, you are not balancing to the general ledger control total, and not all your past-due items might be listed." He shows several ways in which regular ageings, with supplemental explanations of nonpayments of items over 90 days old, can be valuable. They bring the delinquencies to light, tell whether the condition of receivables is good or bad, and psychologically stir collection personnel to increased effort.

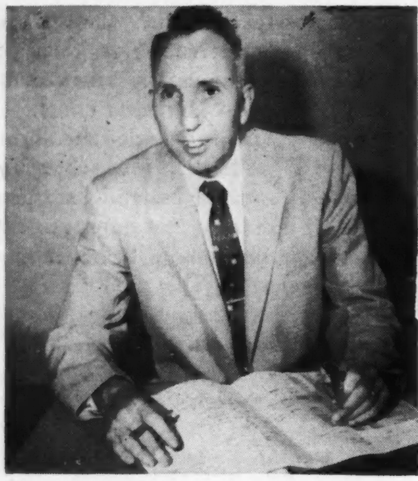
"Keep a simple, single-sheet type of record of the various category totals and percentages, and list them month by month so that improvement or adverse changes will be immediately apparent. The monthly comparisons will highlight trends, sometimes disclose particular conditions. Remember, this month's 31-60 items become next month's 61-90."

### *Monthly Collection Index*

Emphasized also as a management tool is monthly calculation of the collection index and average collection period. Dividing the total receivables outstanding at the end of the previous month into the sum of the current month's collections plus credit memos provides in the resultant percentage an indication of the collection efficiency, he explains. Dividing that percentage into 30 shows the number of days that would be required, based on the current month's rate of collection, to collect all receivables outstanding at the end of the previous month.

Thus, Mr. Kneuker adds, the manager responsible will have the means of watching overall trends. This running record of monthly factors complements the ageing data, simplifies comparison with results of previous periods, emphasizes sudden developments or continuing adverse trend, and pinpoints the need of increased collection effort or special attention to the account.

***HEADING the Knoxville (Tenn.) Wholesale Credit Association. SEATED (l to r) Charles Rymer, second vice president; J. C. Terry, first vice president; Mrs. Juanita Ford, president; Dean Spencer, councillor. STANDING: Gregory Sharpe, treasurer; Jeff White, third vice president; H. M. Webster, assistant secretary. INSET: Miss Ruth Davis, secretary-manager.***



# MANAGEMENT AT WORK

## . . . . a problem case is solved


**BY FRANCIS F. TOZER**
***Credit Manager***

**Michael Flynn Manufacturing Co.**
***Philadelphia, Pennsylvania***


HOW MANY times have you been asked by laymen, "What are your duties as a credit manager?" In all probability, the stock answer could well be that your duties, at least in part, are a combination of accountant, attorney, business advisor, salesman, analyst, diplomat, banker.

It can all be condensed into a few words, "I help to sell my company's product at a profit."

To better understand the case for discussion, we manufacture and erect aluminum and steel windows and curtain wall for the construction industry. We also extrude aluminum profiles and a variety of other products for fabrication.

### *Profits in Double Jeopardy*

This case placed our profits in the "double jeopardy" category. We were in danger of losing a profit on sales, and were facing a loss of savings on erection costs.

We bill this account for its purchases, and it, in turn, bills us for subcontracted erection work on engineered (custom) jobs. Its costs for erection are less than ours because its crews are permanently located in its area, whereas ours have to be mobile.

On the surface it seemed like an ideal arrangement until we suddenly became aware of a marked increase in slowness, and we found we could not contra the account because it was financing its receivables at the bank.

Phone calls and letters brought only misunderstandings and strained relations, to the point where we were considering discontinuing the account, but not before making a personal visit.

A meeting at the customer's place of business was arranged. Some interesting facts were brought to light, facts that could not have been garnered through phone calls, letters or trade reports.

The customer, a 38-year-old closely held corporation, had made a moderate profit each year. This had been withdrawn and converted into personal assets, mostly real estate for living purposes.

About a year ago, the principal and founder died. Management of the business was taken over by a son who had a good technical knowledge but fell short as a businessman.

### *Counseling Needed*

He did not know how to control costs, delegate duties or recognize internal weaknesses. Operations became unprofitable, trade payments increasingly slow. Counseling was very much in order.

The son's desire to preserve the business was intense, and no information was withheld. It was learned that he and the estate owned personal properties with a fair market value of $150,000, partially encumbered, whereas the business had a net worth of only $30,000 after a loss of $8,000 for the first five months of the year. Immediate remedial action was essential.

Theretofore, we never had had access to the balance sheet or profit and loss statement. A close analysis pointed to certain weaknesses which any businessman should have been able to recognize and correct.

It was noted that the receivables contained a number of slow paying accounts up to six months past due. It was agreed that a concentrated effort would be made to effect quicker collections, and a more vigorous overall collection program would be installed, along with a realistic policy for better selection of accounts.

Since there was definite overtrading, the son and the estate agreed to liquidate some of their personal assets in order to supplement a very weak working capital position.

Creditors had twice as much invested in the business as the stockholders, and so it was determined that at least enough additional capital be invested to equalize that situation.

### *Too Locations Discontinued*

Too much money had been invested in cars for both business and personal purposes, resulting in excessive operating costs. Cars were being used to visit distant branch offices which were operating at a loss. It was agreed to discontinue two locations and cut down on the number of cars in use.

An expensive insurance program was being charged to the corporation which rightfully should have been

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***FOR the last five years Francis F. Tozer has been credit manager of Michael Flynn Manufacturing Co., Philadelphia, following three years as general credit manager of Quaker Rubber Corp. (Division of H. K. Porter Co.) and six as regional credit manager for York Corp. (now a division of Borg-Warner).***

***Past director of The Credit Men's Association of Eastern Pennsylvania, past chairman of its Construction Group and now treasurer of its Plus One Club, Mr. Tozer is vice chairman, Eastern Division, of the National Committee on Improved Construction Practices.***

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a personal item. Necessary proper adjustment was conceded.

The most ticklish part of the interview was convincing the manager that he should do only those things to which he was best adapted, and to leave financial matters to the office manager. A preliminary talk with the office manager had convinced us that his prior experience and ability were not being fully utilized.

As we could not contra the account, we insisted on, and obtained, a satisfactory personal guaranty.

The final step was to obtain consent to notify the bank if the account should run 30 or more days slow, with the thought that something could be worked out to a mutual advantage.

Four months later we are happy to report every promise has been fulfilled, with the exception of one which requires time. The customer is now making a small profit again, and is meeting most trade bills within 30 to 60 days of expiration date, which is a vast improvement.

Here was another example of the importance of personal contacts to solve problems which can't possibly be taken care of by telephone or letters.

Everyone connected with the credit profession can learn a lesson from the message on our Statue of Liberty: "Give me your tired, your poor, your huddled masses, yearning to breathe free. The wretched refuse of your teeming shore, send these, the homeless, tempest-tost to me. I lift my lamp, beside the golden door!"

The credit fraternity must carry out the same principles, always stand ready to show the light to distressed debtors.

### Employers Must Report Any Deals They Make with Labor

The new Federal labor law requires that employers report any deals they make with labor organizations and labor relations consultants.

Payments made to obtain information of activities of employees or unions in connection with labor disputes must be reported, also expenditures or arrangements embracing loans or other things of value, promises, agreements to persuade employees to exercise or not exercise their right to organize and bargain collectively, says Commerce Clearing House.

# *Receivable Financing To Reach Record $7.8 Billions for Year, Says Seidman*

Volume of receivable financing for the commercial finance and factoring industry, "which in 1959 is enjoying a recordbreaking year, will reach an estimated $7.8 billions for 1959, compared with the 1958 high-to-date volume of $7 billions," Walter S. Seidman, chairman of the board of National Commercial Finance Conference, Inc., said at the industry's 15th annual convention, in New York City. Mr. Seidman is a partner in Jones & Company, New York.

"The volume of old-line factoring this year, it is estimated, will increase some 5 to 8 per cent over the $4.1 billions of 1958." Accordingly, "a total volume of commercial financing and factoring of approximately $12.2 billions" may be looked for, Mr. Seidman declared. In the past five years the industry has doubled its volume.

Presented as examples of "living lessons in modern economics", by Herbert R. Silverman, president of James Talcott, Inc., and honorary chairman of the conference board, were three representative companies which received the industry's annual awards for outstanding growth through the use of commercial finance company funds. Avien, Inc., which started with $2,000 capital in 1948, today is a leading proprietary system company in the electronics field, with 1959 sales reaching $7½ millions; Buitoni Foods' sales increased 451.6 per cent from 1949 to 1958, and Helene Curtis Industries showed $50 millions in sales volume this year.

While a panel of finance industry representatives was not unanimous in the outlook for interest rates generally, the commercial finance industry, it was noted, "has been able to avoid increasing its rate against the prime rate." In the last five years "the prime rate by banks has increased 60 per cent, from 3 to 5 per cent," noted Mr. Seidman, while the commercial finance industry rate "increased only 10 per cent in the period." The "nation's economic picture is brighter than ever," and Gross National Product may reach $500 billions next year, he said. If the prediction comes true, "the industry can look forward to a 10 per cent increase over the 1959 total financing and factoring volume quoted."

***Some people are always in debt because they spend what their friends think they earn.***
**—The Indiana Agent**

***OFFICERS AND DIRECTORS** of Asociacion de Profesionales de Credito de Cuba were hosts to Alvin A. Smith, secretary of the Hawaii Association of Credit Management and general manager of the Credit Bureau of Hawaii, and Mrs. Smith on a tour that took them through Mexico, Central America and the Caribbean. At the International Yacht Club in Havana: (l to r) Dr. O. de la Gándara; Jose Mola Morilla, president of the Cuban association; Mr. Smith; Rogelio Travería; Enrique González Novo, and Petro Alemán.*

# New Equipment, Mechanized Functions Give Answers to Increased Workload

**SECTION** ***of the main office of the J. I. Case Company, Racine, Wis., showing members of the staff of the Case Credit Corporation using DeJUR Stenorette dictating-transcribing machines to speed the communications' flow. The electronic Stenorette of DeJUR-Amsco Corp. features dictation and transcription in one machine, carries the label of Underwriters' Laboratories.***

ALERT MANAGEMENT like fluoroscopy can project into view areas of shadowy, or inadequate, functioning. When vigorous new management headed by Marc B. Rojtman, president, brought about the addition of new departments such as the credit corporation, and enlargement of other departments, in J. I. Case Company, one of the giants in the implement and machinery field, the change served to show up two vital problems of clerical operation that beset all similarly progressive, growing organizations:

1) The need for new equipment to handle the increased workload, and 2) the great need for standardization and mechanization of as many clerical functions as possible, for optimum efficiency at minimum cost.

J. I. Case Company, Racine, Wis., is one of the leading producers of farm implements and machinery. The company produces an extensive variety of tractors, threshers, combines, plows, harrows, planters, drills, cultivators, hay machinery, binders, corn pickers, manure spreaders and hammer feed mills. For industry there are wheel and crawler tractors with bulldozers, earthmoving, roadbuilding, mining, logging, irrigation and oil field equipment.

Because more of its people were traveling and many more personnel required dictating equipment, this was a critical area of attention. Following a study by the company's standardization committee for office equipment, which will be described, the first installation of DeJur-Amsco Stenorette* dictating-transcribing equipment was made on a trial basis in December 1957, in the credit corporation and in the purchasing agent's office. The company now has some 200 Stenorettes in its 28 sales branches in the United States, eight in Canada, five in South America, and the plant in France.

*Committee Study Gets Underway*

Members of the Case standardization committee for office equipment included Robert Erickson, chairman and budget director; E. G. Fliss, purchasing agent; Richard Jenson, assistant secretary of the company, and Lyle Knetzke, branch operations manager. The committee undertook a complete study of the company's existing dictating equipment and of all the types available on the market.

"At the time we had a few models of two other wellknown makes in our offices," notes Mr. Fliss. Into the picture came William J. Pagenkopf, regional manager of J. I. Case Company's credit corporation. In an earlier banking connection, for which he had established a consumer finance department, he had become acquainted with the Stenorette dictating machine. He liked it, recommended it.

"We tested each of seven makes of dictating equipment personally in this office," Mr. Fliss states, "to determine which unit the company would standardize on." The choice narrowed down to three makes, "any one of which *appeared* capable of doing the job. From there on in, we made the cost comparison all the way along the line."

Then an incident occurred that helped tip the scales in favor of the Stenorette. The claim of another manufacturer that its recording belt was shippable blew up when the mailed belt, with three days' dictation on it, arrived crushed. Company spokesman notes that its Stenorette reels have never suffered this hazard.

Maintenance-wise, one of the other makes necessitated "a couple of service calls during the trial period." This overruled the product. "When the machine is down, people are not dictating."

When all the results were in, the committee selected the Stenorette as

*Registered trade mark

standard dictating equipment for the Case company. "It was found it could be purchased at half the cost of other makes."

### *Additional Features*

Other features that influenced the committee's decision in favor of Stenorette:

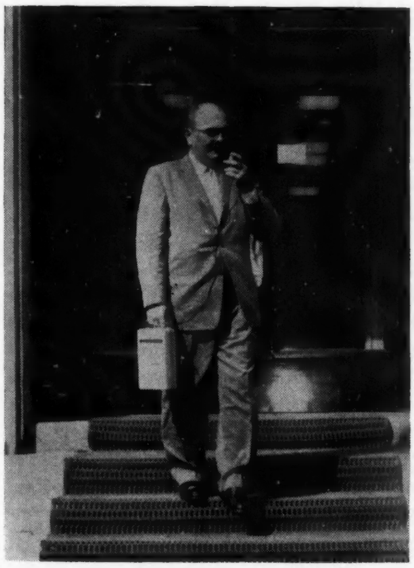
Simplicity of operation: even the less-experienced girls can transcribe more rapidly with the Stenorette. "Some girls refuse to use another wellknown make unit because they have to go back constantly and correct. First they have to read a slip and then listen to the whole thing; this can mount up to 50 minutes lost. And there are the corrections that must not be overlooked!"

Reusable tape: Magnetic tape recording medium takes up to full 45 minutes of dictation, is reusable over the life of machine. The tape is mailable, can be interchangeably used on the standard and companion portable units.

Superior reproducibility: the "double voice" experienced with some stylus-type machines is never experienced with the Stenorette.

Pushbutton operation— the executive may dictate, listen, rewind and stop at the press of a button.

Light weight: standard Stenorette weighs 11 pounds 10 oz., takes no more desk space than a briefcase.



**MAN ON THE GO—*William J. Pagenkopf, regional manager of J. I. Case implement company's credit corporation, and his "pocket companion," the new Stenorette Portable dictating device. The portable unit is fully compatible with its full-sized office counterpart and features a rechargeable battery.***

Sensitive dictating microphone eliminates need for special microphone for conferences. Exclusive "conference" setting on microphone-speaker records all voices in the room. Automatic voice leveling circuit, remote-control erasure which permits recording correct words right over the error, plus national service facilities, were other features that influenced the company's decision.

### *Made in West Germany*

The Stenorette dictating-transcribing machine is manufactured in West Germany and imported and distributed in the United States and Canada by DeJUR-Amsco Corporation of Long Island City, N.Y. In addition to the standard model Stenorette installations, top management officers in the J. I. Case Company are equipped with the new Companion Stenorette Portable dictating machine (illustrated). Small as a book and weighing but six pounds, this fully transistorized recorder is completely compatible with its full-sized office counterpart. Rechargeable batteries, like the reusable tape, are good for the life of the machine. At present it is reported to be the only unit of its kind on the market using rechargeable batteries.

### *Wide Use for Portable*

Comments Mr. Pagenkopf about the "little recorder with the big voice": "The Portable is going to be the handiest thing of all." He sees himself, branch managers, divisional sales managers, central office sales managers of the industrial division making use of the portables while traveling, in their automobiles, at motel stops, and aloft.

Case, with some 200 Stenorettes in operation, expects the "compact, reusable-tape dictating-transcribing device" not only "will save thousands of dollars in initial outlay," but "many more dollars in annual repair and upkeep costs," and will "reduce secretarial errors, make for a happier office and be easier on the dictators."

***"Here lies a man who knew how to enlist in his service better men than himself."***
**—Inscription on Andrew Carnegie's tombstone.**

# Sound Policy for Strong Economy

## *Balance Budget, Reduce Taxes, Fight Inflation, ABA Speakers Urge*

TIGHT money and inflation held major interest in formal addresses and floor discussions at the 85th annual convention of the American Bankers Association, now numbering 17,690 banks and branches as members. Some attending the Miami Beach gathering said tight money is requiring greater selectivity in granting commercial loans to new businesses in the small and medium-size categories, but the chairman of the ABA small business credit commission said surveys indicated "policies had not been tightened." Congress came in for criticism for refusing to raise the 4¼ per cent ceiling rate on long-term Treasury bonds and so forcing Treasury financing into the competitive short-term market.

The impact of a heavy defense and scientific development program calls for bipartisan economic thinking, the first general session was told by the ABA's president, Lee P. Miller, president of Citizens Fidelity Bank and Trust Company, Louisville.

"At the heart of our economic strength is the soundness of our Government's finances and the soundness of our money", Mr. Miller emphasized. "A progressive weakening in the value of the dollar can sap our economic strength".

**Declaring that the times demand "critical decisions", Herbert V. Prochnow, vice president of the First National Bank of Chicago, urged this economic program:**

**Balance the budget, with a surplus in good times; remove the ceiling on interest rates on longer term Federal securities; slash expenditures under the farm programs; reduce the 52 per cent corporation income tax rate; lower personal income taxes; eliminate every form of extravagance in Government and private economy; sell American goods more aggressively abroad to end the deficit in our foreign payments; determine whether labor and business have detrimental monopoly powers; delegate responsibility to one person in the Government to coordinate and supervise all U.S. economic programs; revise tax laws on depreciation; and, finally, smash the policy of easy and cheap money in boom times.**

John W. Remington, president of Lincoln Rochester Trust Company, Rochester, N.Y., was elected president of the ABA. Carl A. Bimson, president of Valley National Bank, Phoenix, was named vice president.

Consumer credit has risen faster in the last two or three months than in boom year 1955, the delegates were informed by Dr. R. J. Saulnier, chairman of President Eisenhower's Council of Economic Advisers. Until recently, he said, the recovery had been balanced, without outsize expansion of any one sector of the economy such as consumer durable goods. He added that the economy's trend will continue upward as far ahead as can be foreseen but he warned against attempting to "over-reach ourselves".

Predicting that in the long range a stable proportion of national income will go into savings, Dr. Paul McCracken of the University of Michigan school of administration said that the growing number of population maturing into the labor force will enlarge the demand for credit in two ways: by acceleration of the pace of capital formation (now averaging $15,000 per worker) for additional machinery and equipment; and for meeting the pressure of rising wage rates on production costs.

"Smooth channeling of savings into productive use", he added, requires a strong Federal budget, strengthened confidence in the dollar's long-term purchasing power, realization that an "expanding economy will mean continuing, but not overly rapid, expansion of debts", and new ideas to improve services and products.

In the 1960's the production of goods and services in the United States may expand by 50 per cent above the $480 billion current level, declared Louis B. Lundborg, executive vice president Bank of America NT&SA, San Francisco, president of the ABA savings and mortgage division. He said the nation's research and development expenditures probably will be twice the $60 billions of the 1950's.

A word of caution that "a tragic amount of the 'soaring' of the 'Soaring Sixties' may be merely inflationary froth", unless America's leaders are careful, was sounded by Carlysle A. Bethel, vice chairman and senior trust officer of Wachovia Bank and Trust Company, Winston-Salem, and president of ABA's trust division. He called essential an absolute growth in "real business volume, measured in terms of serving more customers in broader and more profitable capacities."

***"There are classes of businesses which operate free from paying their fair share of taxes, while other businesses in similar undertakings are compelled to bear a disproportionate share of the expense of government. It is hoped that Congress will at an early date enact appropriate legislation to correct these inequalities."***

**—John S. Coleman**

**A recent spot check of 100 bankers substantiated reports in a business and credit survey last June that banks "were preparing to increase their loans to small business enterprises during the last six months of 1959," said Carl M. Flora, vice president First Wisconsin National Bank, chairman of the association's small business credit commission. He declared that the reports indicated "policies had not been tightened to restrict loans to small business concerns because of the tight-credit situation." Mr. Flora added that the 17,462 small business loans approved by SBA since its inception represent 4/10 of 1 per cent of the four million small business concerns.**

Ray M. Gidney, U. S. controller of the currency, answered critics — citizens and lawmakers alike — who 'mistakenly ascribe the advancing levels of interest rates to the actions of the Federal Reserve authorities". Because interest in free credit markets responds to supply and demand, "the primary determinants of interest

rates are the actions of millions of individuals and institutions rather than those of the Treasury or Federal Reserve". He pointed to the Congress' failure to act upon President Eisenhower's request to remove the 4¼ per cent ceiling on rates on long-term Government securities.

### *Fed's Efforts Commended*

Efforts of the Federal Reserve and citizens in public office to preserve the value of the dollar were lauded by John S. Coleman, chairman Birmingham Trust National Bank, acting president of ABA's national bank division. He urged preservation of private enterprise, curtailment of the power of minority groups, more equitable distribution of taxes, deplored erosion of the value of the dollar, warned against inflation and unfair competition of government with individually owned business, and advocated greater interest by bankers in Federal and state legislative bills.

The president of the association's state bank division, Louis E. Hurley, president The Exchange Bank and Trust Company, El Dorado, Ark., underscored that "the bankers in each state have the responsibility of seeing that the banking laws and supervision in their state are of the highest type."

Somehow a better job must be done in "developing citizens who can keep perspective on both ourselves and the rest of the world," Dr. Elvis J. Stahr, jr., president West Virginia University, told the bankers. "America's soundest economic investment is in the education of her people."

### *Agriculture Brainpower*

The decline in farm population is a sign that strong agriculture brainpower has replaced horsepower as the essential ingredient on our farms, and while the total of farm workers has gone down three millions in the last two decades, agricultural output has increased two-thirds, declared Dr. Earl L. Butz, dean of agriculture, Purdue University, addressing the association's agriculture commission.

> ***"Our people must choose between artificially low interest rates created by soft money and the flexible interest rates that are essential if inflation is to be avoided."***
>
> **—Ray M. Gidney**

> ***"How is a Federal debt of $289 billions to be managed and the currency kept sound unless the people and the Congress are determined that in good times, at least, the costs of government must be paid and a surplus provided?"***
>
> **—Herbert V. Prochnow**

Industrial development work cannot be left to volunteer committees or to volunteer part-time help, said Winthrop Rockefeller, chairman Arkansas Industrial Development Commission, addressing the state bank commission.

"If our efforts to strengthen industry in low-income areas are to succeed, we must try to crossbreed industry with agriculture—to domesticate it—to a more pastoral existence."

## Bureau's "8 Commandments" For Better Business Relations

Eight "commandments" for better customer relations are advanced by the Better Business Bureau of Pittsburgh in a study of customer discontent. The Pittsburgh study method is being adopted by the Bureaus of 36 other cities. Though basically for retail dealers, the "Decalogue" can be applied in part to suppliers. Here it is:

Do not offer a guaranty or enter a contract you cannot keep.

Don't promise to adjust a complaint unless you adjust it.

Charge installers and service men with responsibility.

Charge your salesmen with truthful statements and fair play to customers.

Do not falsely promise delivery of merchandise by a certain date.

Do not knowingly deliver faulty or inferior merchandise.

Do not "speak with a forked tongue" in advertising.

Do not advertise merchandise at very low prices to switch unwary customers to high priced merchandise and then refuse to deliver the advertised item.

*The Road to Ulcers Is Paved with Emotional Maladjustment*

# Executive's Dilemma: He's Too Many Buttons

By **WILLIAM R. CONTE, M.D.**
**Supervisor of Mental Health**
**State of Washington**
***Olympia, Washington***

TO BE an executive "does take its toll." Certainly if we look around us at some of our associates, we see that they (and we) are paying the price for the role of the administrator.


DR. W. R. CONTE

I wonder if you have ever had the interesting experience of pushing two buttons on the self-operated elevator, and then waiting to see what happens. These two stimuli at the same time produce a kind of chaos, with the result that the elevator might move from one floor to another! Or it might result in extremely inappropriate behavior, with the elevator standing still or moving to a floor that was not even indicated on the punch system.

I wonder further if you have ever tried the same thing on the nickel drink machine that dispenses coke, coffee, and orange juice. To put your nickel in and punch for all three beverages at the same time again produces chaos. Many times the machine fails to operate, but then there are times when one gets a strange admixture of coke, coffee, and orange.

#### *Many Stimuli at Same Time*

If you haven't tried these experiments, I think you should, if for no other reason than to see for yourself some of the difficulties the executive encounters when more than one of his "buttons" are punched at a single moment. You and I as individuals in positions of some responsibility have many stimuli active at the same time. We have many things to think about and many decisions to make. Sometimes we can keep our behavior appropriate; but then there are times when we become paralyzed and do nothing; or when the reaction that we have results in a very peculiar disorganized kind of behavior. This certainly does not lend itself well to good health.

In psychiatry we have come to know something about executives and what they are like personality-wise. See if this description bears any resemblance to your own autobiography! An executive is a hard-working fellow who often awakens very early in the morning to think and plan about the activities of his day, and then rushes off to his office after a very meager and hurried breakfast. Once in the office, he orders a cup of coffee, instead of going out to get one, and sits tensely throughout his day answering the phone and seeing people and drinking more coffee. When evening comes, he packs his briefcase full of important papers and carries them to his home. Then, after dinner, he returns to his briefcase and begins to work again.

**Executives are hard-driving individuals who do succeed, but who pay a tremendous price for the success which they attain. To work and to work hard is the essence of their lives, and among the various prices they pay are stomach ulcers and high blood pressure.**

I suppose, when we stop to think about it, that hard-working people, driven by their needs to accomplish and their sense of responsibility, will show the signs of emotional strain. A tendency to be worried and depressed, or evidences of unreasonable fatigue, an irritability—even to the point of out-and-out anger—are all the resultant of too many things to think about and not enough time to get them all done. The problem of the executive is confounded, I believe, by the fact that in his emotional reaction to his way of life there is an increasing fatigue associated with difficulty in falling off to sleep and with early awakening, which certainly tends to get the day started off on the wrong foot.

The executive, of course, does not live in a vacuum—and by the same token, business is not a one-man proposition. An unfortunate complication for the emotionally overtaxed executive is his difficulty in interpersonal relationships. With his own irritability, he becomes intolerant of those people who work around him. He is prone to be critical, and finally tends to blame his own tensions on his subordinates. It is at this point that relationships break down, communication ceases, and we no longer have a business-like situation.

This problem is serious on every level. If the executive, however, is in the lower bracket, his sphere of influence is relatively small and the complications of his emotional problem are not far-reaching. The higher up the executive may be, the greater is his influence, and the result is that more people are involved in his own malfunctioning personality pattern. Obviously, if enough executives are involved, emotional difficulties of the one or few can seriously interfere with the functioning of the entire organization.

There are many of you who can very readily admit that you are not satisfied with the way things are going. But then, there are some hard-working folks among you who do not take time to stop and to evaluate your situation. Perhaps you

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SHORTLY *after addressing the 63rd Annual Credit Congress of the National Association of Credit Management, William R. Conte, M.D., left Dallas for Olympia, Wash., to become supervisor of mental health in the State of Washington.*

*Dr. Conte had been chief of the In-Patient Psychiatric Service, and medical director, Woodlawn Psychiatric Hospital; associate professor of psychiatry at Southwestern Medical School, University of Texas; consultant, Terrell (Texas) State Hospital; and chairman, advisory committee, School of Occupational Therapy, Texas State College for Women, at Denton.*

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have noticed that relationships to some of your colleagues have not been the very best, but you have tended to blame this on others instead of looking at your own personality reaction. Or perhaps you have found some rationalization by which you excuse your problems.

***A Five-Question Self-Check***

Whether or not you have ever thought about it, I should like to ask a few questions to see just how you stack up in the matter of personality adjustment and good emotional health:

1) Are you happy? To be happy is to have good mental health. The degree of happiness is a very good index to the degree of personality adjustment. This is your life. No one else can enjoy it but you, and if you don't, then it is a life that is wasted and brings happiness to no one.

2) Are you able to think clearly —or is your mind so cluttered with details and confusion that you really cannot complete one thought? Can you make a decision with conviction that your thinking has been correct?

3) Are your motives really working for you? Are you doing the best that you can? Or perhaps you are receiving so many impulses at the same time that you are not really utilizing your motives and your drives as effectively as you might.

4) Do you have a plan for the future? Or we might paraphrase this: can you really see where you are going? Sometimes we get so absorbed in taking care of the daily routine, or dealing with the many problems that exist one day after the other, that we lose track of our goals in the future. Sometimes it's even hard to see that there is a goal in the future.

5) Are you accomplishing a reasonable social adjustment? I mean particularly with your family, but I also refer to other people in the world around you.

If your answers to these questions are in the negative, then it's high time that you stop and take a look. Your ulcers and your emotional problems are just around the corner!

***Four-Point Program***

Let me call your attention to a four-point program. *First,* take a personality inventory! How are things *really* going for you? Are you productive, are you accomplishing what you think you can accomplish, and are you happy about it? *Secondly,* you are not an indispensable man, even though it might do you good to think that you are. Industry is not a one-man situation. This is the time to delegate your responsibility and your problems. There are many more competent people around you than you have been willing to admit.

A *third point,* which I hope you will consider, is that of the *retreat.* To pull back, to do a little less, and to assume a few less responsibilities may be a life-saving procedure for you. It is better to do well, be able to think clearly and constructively about the responsibilities which you do assume, than to have your life so cluttered that you are able to accomplish little or nothing.

And finally, let me suggest that you *live a little.* Your family needs you, and, what is equally important, you need your family. An opportunity to socialize with those you love is waiting for you if you will just avail yourself of it. Families provide a nucleus of true relationships to the world around us. Happiness and motivation and success can genuinely be accomplished within the realm of family relationships.

These words of advice are your opportunity to be an executive and live.

> ***The best executive is the one who has sense enough to pick good men to do what he wants done, and self-restraint enough to keep from meddling with them while they do it.***
>
> **—Theodore Roosevelt**

***And So It Goes***

Deficits are appearing on the books of more and more state governments as expenditures soar above income, economists of the Federal Reserve Bank of Cleveland warn. In 1946 only one state wound up the fiscal year with a deficit; in 1958 there were 37.

## ON THE

# Personal Side

**John B. Schoenfeld** has become vice president, Trade Bank & Trust Company, New York City. Formerly vice president and director of L. F. Dommerich & Company, and before that vice president and secretary-treasurer, Forstmann Woolens, Mr. Schoenfeld is widely known in credit. He served as president of the New York Credit and Financial Management Association from 1956-58 and is a former president, chairman of board of governors and trustee of the New York Institute of Credit.

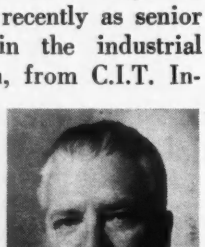
**Thomas E. Murphy** has been appointed general credit manager of The Pillsbury Company, Minneapolis. He continues the responsibilities of national credit manager, food products, and assumes the credit responsibilities formerly handled by Terrance Hanold, treasurer and chief financial officer of the company.

Mr. Murphy joined Pillsbury in 1947 as an accountant and was appointed regional feed credit manager for the Southeast headquarters at Louisville, in 1952. He was appointed national credit manager, food products, in 1955.

**John W. Cooledge** has been appointed to the newly created position of regional credit manager-south, of California Spray-Chemical Corporation, Richmond, Calif. He will administer credit and collection activities out of the Atlanta regional office.

**Kenneth E. Dougherty** has been appointed assistant secretary, James Talcott, Inc., New York City. He went with Talcott recently as senior credit executive in the industrial time sales division, from C.I.T. Industrial. Earlier he had been with American Business Credit Corporation, whose portfolio has since been acquired by Talcott.

K. E. DOUGHERTY



A. T. CARLSON

**Wayne R. Wiedman** has been named assistant credit manager, tubular division, The National Supply Company, at Pittsburgh headquarters. He began with the company in 1954 as a member of its training program for college graduates and has since served in variously located credit offices of the company.

**Ramsey E. Joslin** has been appointed assistant secretary and assistant treasurer, National Distillers & Chemical Corporation, New York City. He was formerly assistant treasurer and manager of the credit department of The New York Trust Company.

**Melvin H. Koenig** has become controller, Mosler Safe Company, with his headquarters at the Hamilton, Ohio, plant.

**William C. Fraser** has been appointed controller, VanSant, Dugdale & Company, Inc., Baltimore, Md. Earlier associations were with Olin Mathieson Chemical Corporation as budget director and with Consolidated Foods Corporation as vice president-controller.

**John R. Howells**, previously chief accountant and office manager at the company's Ditzler color division, Detroit, has been appointed credit manager of Pittsburgh Plate Glass Company, Pittsburgh.

**Albert T. Carlson** has been appointed treasurer, Textile Banking Company, New York City. Since going with the company in 1924, he has been successively manager of the accounting department, assistant treasurer, and head of the personnel department.

**Earl A. Dorsey**, treasurer and director of finance, Brown-Forman Distillers Corporation, Louisville, Ky., has been named director of the company. He also is a member of the executive committee. Mr. Dorsey began his career with the company as an accounting clerk.

J. B. SCHOENFELD

T. E. MURPHY

R. E. JOSLIN

J. W. COOLEDGE

M. H. KOENIG

W. R. WIEDMAN

**Stafford Almy** has been advanced from assistant treasurer to vice president, Plantations Bank of Rhode Island, Providence. He is councillor, Rhode Island Association of Credit Men.

**George J. Wade** has been named treasurer, Fairchild Camera & Instrument Corporation, Syosset, N.Y. He previously held the post of assistant treasurer, assistant to the secretary and general accountant.

**Martin Strudler** has been appointed credit manager, Tv Guide, at its Radnor, Pa. headquarters. He also will be in charge of credit activity for "Seventeen" and "Official Detective" magazines, published by Triangle Publications, Inc. Mr. Strudler served as chairman of the magazine advertising group of the New York Credit Group Service in 1957-58.

# Trends

*in commerce*

*in industry*

*in finance*

### $300 Billions in Saving

DESPITE the inflationary flavor of the last two decades and the dollar's loss of more than half of its buying power, Americans' savings at the turn of the year will approach $300 billions, says the Institute of Life Insurance.

Data compiled by the Federal Loan Bank Board show accumulated long-term savings of individuals as of June 30th were at an estimated $288.5 billions with an annual growth rate of $14 billions.

### Blueprint for Inflation

RATE of economic growth cannot be predetermined, and making it a slogan or program for uninterrupted business boom could turn it into a "menace to economic stability and freedom," cautions the Guaranty Trust Company of New York.

Rate of growth "is a resultant of a complex set of powerful forces, and any plan to increase it by fiscal manipulations is simply a blueprint for inflation."

### Where It Went

FEDERAL, state and local governments, with combined deficit of $10 billions, absorbed more than 15 per cent of the total $66 billion private savings last year, says The Chase Manhattan Bank in its "Business in Brief."

Private savings, the bank economists point out, flow through the following three channels, with the savings totals as indicated:

"Personal savings — the net increase in financial and tangible assets of individuals and unincorporated businesses. In 1958 these groups saved $21 billions, about the same as during the two previous years.

"Corporate savings — in the form of retained earnings. In 1958, with the recession cutting into profits, retained earnings dipped to about $5½ billions, the lowest since 1946.

"Capital consumption allowances — deductions from the income stream to allow for the depreciation of plant, equipment and housing. These allowances reached a record $39.6 billions in 1958."

### A Call for Efficiency

NEED of greater efficiency is the most urgent sales lesson learned from the 1957-58 recession, said most of the 131 manufacturing companies queried in a study by the National Industrial Conference Board. Many declared they now are concentrating on sales training—conferences, clinics or courses—for management as well as line salesmen.

Other remedies cited: increasing staffs; improving bonus and base pay rates; better evaluation of individual performance; new advertising approaches. A principal concern: narrowing profit margins due to intensified competition.

### No Hope for Tax Cut

REDUCTION in the 52 per cent corporate tax rate is not in the cards in the foreseeable future, A. Elliott Pinkus, assistant comptroller, The First National City Bank of New York, told the 400 bank representatives at the eastern regional convention of The National Association of Bank Auditors and Comptrollers.

"We will just have to continue considering that 'Uncle Sam' has a first lien on more than half our corporate earnings," he declared. "Profits of commercial banks have not been adequate to attract the huge amounts of capital that will be needed to enable them to meet the future requirements of a growing economy," he added, quoting Dr. Jules I. Bogen, professor of finance, New York University's graduate school of business administration.

### The Road Back

GOLD CONVERTIBILITY of the dollar "would be helpful to the government in an effort to return to fiscal sanity," said Dr. Frederick A. Bradford, head of the department of finance, Lehigh University, at a Pi Gamma Mu forum on the current inflation threat.

Dr. Bradford, one of 11 economists recently named to prepare a study on "A Proper Monetary and Banking System for the United States", urged a "cut in Federal expenditures in order to produce not only a balanced budget but a surplus of receipts over expenditures to the end that some reduction may be made in the huge Federal debt."

### Fiction and Fancy

TIME is coming soon when we will have "completely lost our entire export business in steel except for a few specialty items made elsewhere," warned W. H. Wiewel, senior vice president, Crucible Steel Company of America, addressing an east coast general management conference conducted by the American Management Association.

Urging that management, labor and government get together soon for a solution, Mr. Wiewel declared that "our government must shed some of the false philosophies under which it has operated for so many years: the fiction that wages do not have a bearing on prices; the fiction that we can create wealth by printing more money; the fiction that higher and higher wages not accompanied by higher production will make us prosperous; the fiction that our government can live beyond its means indefinitely; and, last but not least, the fiction that taxes do not raise prices."

Ernest A. Rovelstad

# Guides to Improve Executive Operation

## KEEPING INFORMED

LONG TERM REGIONAL TRENDS IN MANUFACTURING GROWTH, 1899-1955. Study correlates findings on U.S. population and manufacturing employment since turn of the century. 10 cents a copy. U.S. Department of Commerce local field office or Superintendent of Documents, Govt. Printing Office, Washington 25, D.C.

"4 WAYS TO BE SURE IT CAN'T HAPPEN HERE!"—Recently revised 8-page booklet presents statistics showing where most bank embezzlement occurs, how it happens, and preventive measures that can be taken. Free, from Cummins-Chicago Corp., 4740 North Ravenswood Ave., Chicago 40, Ill.

LETTERS—FIRST AID TO SALES, 44-page booklet outlines formats, production methods and costs involved in direct mail programs. Examples are noted of direct mail efforts used by clients of the company which has 32 direct mail offices throughout the country. Free, write on letterhead to DMCP Associates, Inc., 1814 Jefferson Ave., Toledo, O.

ANNOTATED COMPUTER BIBLIOGRAPHY, 54-page booklet should be valuable to members of management teams, accountants, engineers, with either limited or extensive training in computers. Third publication in the Univac Educational series. Remington Rand, 315 Park Ave. South, New York 10, N.Y. Ask for U 1806.

TELLING YOUR SHAREOWNERSHIP STORY—Bibliography of publications that show how other companies have made their annual reports more attractive, also lists publications that offer ideas for public relations, employee reports and stock plans. New York Stock Exchange, 11 Wall St., New York 5, N.Y.

***Informative reports, pamphlets, circulars, etc., which may be of interest to you. Please write directly to the publisher for them. CREDIT AND FINANCIAL MANAGEMENT does not have copies available.***

***To expedite receiving booklets described below in this column, address all inquiries concerning Efficiency Tips to CREDIT AND FINANCIAL MANAGEMENT, 229 Park Av. So., New York 3, N. Y.***

## EFFICIENCY TIPS

803—Time-saving, money-saving ideas for Addressograph and Speedaumat users are listed in 31-page catalog of Addressing Machine Co. of California. Ask for 10-3-B.

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804—"Synchro-Tape Cuts Punched-Card Costs" brochure of Remington Rand explains and illustrates how unit eliminates manual jobs of card punching and verifying. Ask for RT8905.

▼

805—Catalog sheet giving complete range of sizes, prices of advertising-imprinted Scratch Pads is available from R. Frank Advertising Specialties.

▼

806—Reference Manual #487 for Steel Equipment (1959-60), 64 pages, lists large drawer units, shelf filing, carts and other storage equipment. Free, from EQUIPTO.

▼

807—Colorful 8-page booklet about the newest Univac Computer of Remington Rand outlines major benefits and equipment features. Ask for U-1218.

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808—Host of ways in which to present and protect bound material are noted in free book of General Binding Corp., "New Dimensions in Plastic Binding."

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809—10-page brochure S-112 of Clary Corp. electronics div. gives technical details of Model 1941 Form Printer which prints electronically controlled data on preprinted forms, such as recording checkout data, inspection records.

▼

810—Factual guide to selection of office copying machines is contained in 8-page booklet of Copease Corp. titled "The Truth about Office Copying Machines."

## BOOK REVIEWS

POLICY AGAINST INFLATION—by Roy Harrod. $4.75. 257 pages. St. Martin's Press, Inc., 103 Park Ave., New York 17, N. Y. Printed in Great Britain.

• Though the writing is based upon and directed toward the British economy, the reader may draw many a parallel for the problems of inflationary developments and tendencies in the United States. Mr. Harrod discusses the gold standard, managed currency, Keyne's much debated ideas, war finance, sterling balances, devaluation, the growth theory, restrictive measures in 1955, the so-called wage standard, and, finally, fundamental principles of policy.

READINGS IN ECONOMICS. (Third Edition) Edited by Paul A. Samuelson, Robert L. Bishop and John R. Coleman, $4.50. McGraw-Hill Book Company, 330 West 42nd St., New York 36, N.Y. Emphasizes industrial organization and pricing, contemporary economic problems, comparative systems, and influences of automation and atomic energy upon the economy.

THE MANAGEMENT OF TIME—By James McCay. Calling originality today's test of leadership, the author says increasing your output gives you more time and you can add to your output by increasing your alertness, available energy and range of knowledge and experience. Five avenues: fight preoccupation by changing routine and expanding interest; conserve energy by cutting down on criticism and defensiveness; expand capacity to see by exploring the worlds of ideas and sensations; develop skills by daily practice; help others to grow too. 178 pages of applied commonsense. $3.95. Prentice-Hall, Inc., 70 Fifth Ave., New York 11, N.Y.

INTRODUCTION TO MODERN BUSINESS—Third Edition. By Vernon A. Musselman and Eugene H. Hughes. 630 pages. $6.95. Prentice-Hall, Inc., 70 Fifth Ave., New York 11, N.Y. Basically a college textbook on business function and practice, analysis of business problems through case study, and choice of career, but readable generally. New chapters are on production facilities, middlemen, current marketing practices, and foreign trade.

***Books reviewed or mentioned in this column are not available from CREDIT AND FINANCIAL MANAGEMENT unless so indicated. Please order from your bookstore or direct from the publisher.***

## ROBERT M. GARDINEER

*(Concluded from page 8)*

program as requested, either by serving as trainers or by assigning qualified members of their departments to that responsibility. For example, you may want the accounting department to give a credit trainee some training in your internal accounting procedures, particularly those which affect the credit department.

### *Minimum Requirements*

The type and caliber of personnel you select will be governed largely by the minimum requirements you establish for each job to which an individual can be expected to progress, also by the immediate job to be filled in certain situations. These minimum requirements fall into these three categories:

(1) Personal characteristics of the individual; (2) his educational background, and (3) his experience.

Once you know what kind of person you need, then it's comparatively simple to find that type of person.

**I rate personal characteristics of first importance, the educational background second, experience third. Here's why. Experience usually can be obtained over a period of time. Education can be obtained after a person is already placed in a job, though not quite so readily as experience. But you can't do much about the personal makeup of an individual once you've hired him, unless you turn him over to a psychiatrist or a plastic surgeon . . . or else fire him!**

You can't change his personality, his emotional stability, his speaking voice, or his facial appearance. These he comes by naturally.

In our company, when we are selecting trainees, we attach a great deal of importance to their physical appearance, their personality and the quality of their speaking voice, because we feel that their effectiveness in dealing with customers at a later date will be determined to a great extent by the first impression they create. And first impressions are rather difficult to change, especially if they happen to be unfavorable.

### *Planned Program in Writing*

The chances for effectively carrying out a training program will be considerably enhanced if it is carefully planned and put into writing. This is not to suggest the necessity to "dot t's", so to speak, but the program should spell out the following:

(1) The responsibilities of everyone connected with the program;

(2) The nature, type and frequency of the reports you feel necessary to determine how the trainee is applying himself and how he is progressing;

(3) The various subject areas in which the person is to receive training;

(4) A training schedule showing the subject areas and the amount of time to be allocated to each;

(5) Where the training will be done.

In effect, the overall training program should make clear the answers to Who? What? Where? When? How? and Why.

Because we are dealing with people—human beings—we must carefully plan how we will go about developing their capacities and their potentialities.

## OSCAR W. HARIGEL

*(Continued from page 8)*

**allotted years to gain the experience necessary to become proficient in only his last ten.**

Because we can't accomplish what we must do with "on the job training" we must take the next step and train "off the job." That appears to be a rather simple solution to the problem. It isn't quite that easy.

Before we can train someone, that someone has to be sold on the idea of continuing to prepare for the present and for the future.

### *Prefers Formal Classes*

Those of us who have been in business a number of years know that we can never cease studying if we expect to hold our own or to progress. Most new and young employees, and even older ones, have to be stimulated into wanting to continue their studies either in formally organized classes or through self-initiated study programs. Having been both a student and an instructor in formal classes, and also engaged in self-planned study programs, I recommend the formal classes. I've always found them more challenging and, because of their organization, a means whereby the student is exposed to greater scope and latitude than he could reach alone.

Few if any companies have the facilities or the personnel to conduct formal classes for their employees, except in a fashion which would not be either desirable from the students' point of view, or economically feasible for the employers. Most often employers in a given field or industry, or those confronted with a common training program goal, band together in organizing formal programs within their own community. In some areas, trade associations are actively engaged in organizing and promoting such training programs.

**The American Institute of Banking sponsored by the American Bankers Association and the National Institute of Credit operated under the auspices of our own National Association of Credit Management are time-tested and proven examples of this type of program.**

Colleges and universities are becoming increasingly eager to participate in these programs through evening classes conducted by their own staff people both on-campus and off-campus. Frequently these schools allow college credit hours to be earned by the participating students. I've known people who earned enough credits to get degrees, both basic and advanced, through courses of this kind.

Although glory buys few meals, we would be quite foolish not to recognize that the prestige which comes from attending college-level classes is a very strong point in favor of them.

A distinct advantage which the organized program offers is the opportunity for the student to be associated with a larger group gathered together from several walks of life. Though coming from many different fields and backgrounds, they are congregated for a mutual purpose, and share in the common fund of knowledge which they have cooperatively accumulated.

With full awareness of the chance of being charged with heresy for injecting into this academic discussion the subject of money, I will do so nevertheless. An

investment in knowledge pays larger dividends for more years than practically any other investment, and has the further advantage of not depreciating in value. Any training program has a price-tag attached. I do believe, though, that more value accrues to a company which participates with others in a formally organized program. This is usually on a share-the-cost basis underwritten by the employers, but sometimes the employee assumes a portion.

In my own bank we have used a plan which has been very successful for many years. The employee pays his own fees and dues and buys his own books. On completion of each semester's work, we reimburse the student for all expenditures he made except his text-book costs, and additionally give a monetary reward to each one who is on the class honors list. Every one of our 14 vice presidents has participated in or completed this type of training. Now I can't say whether these 14 people reached this vice presidential plateau because of the training. All I can say is that they are there and that they had the training. You can draw your own conclusions.

### *The Company Library*

It isn't normal for an adult to embark upon a study program unless he is subjected to some kind of stimulation. Something must happen to excite his desire to know more about a subject or method. When this happens, he becomes an immediate candidate for further learning and training. This desire must not be allowed to cool off. We have to be prepared and fortified with the material necessary to satisfy his curiosity.

What could be more helpful to this person than the company library? This is one very worthwhile training aid which is too frequently overlooked. It should be kept accessible to all, properly cataloged, staffed adequately, and its use encouraged, to every member of the organization. Additionally to technical and semi-technical books and manuals, trade journals and periodicals, business journals and papers, I feel it should have material of a general nature. If this library contains a variety of material as opposed to one having only subject matter relating solely and directly to the company's industry and problems, it will have greater appeal and will be used more frequently.

### *Have Copies Mailed to Home*

Many of our companies pay the subscription costs of trade papers and journals for individual members of the staff. Most of the time they are received at the office or plant. Don't do that. Have them mailed to the individual's home where they will be available for reading at his leisure moments. There, too, his family can use them to become better acquainted with your company and industry, making them informed and more interested members of your team.

Exposure to the very excellent articles in trade and business books and journals very often leads the reader on to further research. On occasion he will encounter an article so provocative he feels a compulsion to dig out and discover more facts about both sides of the question. When the employee recognizes that his reach exceeds his grasp he becomes a quester, self-propelled toward the goal of enlightenment. And the yearning for knowledge is, we know, like life itself, a progress from want to want.

All training programs are built upon creating and maintaining a desire within each person to develop himself to better perform his assigned duties and to accept and discharge the responsibilities in the next higher echelon of jobs. Providing the necessary facilities for a training program is only the beginning. We must encourage our people to participate. More importantly, we must follow the progress they are making and recognize their efforts. Nothing kills initiative faster than urging an action and then ignoring the accomplishments.

The whole theory and purpose of training were rather well summed up by the Greek tragedian, Euripides, who more than two thousand years ago said: "Whoso neglects learning loses the past and is dead for the future."

## RAYMOND T. CUSTER

*(Continued from page 10)*

and trust. His employees would respond to him both as an executive and as a person.

He would have the ability to think and act responsibly, work cooperatively with others, and provide others with opportunities to work effectively and with satisfaction within the group.

Our executive could supervise a group of people and get results through others. That is the very essence of being an executive. His own usefulness would depend increasingly upon the quantity and quality of what he gets from subordinates.

### *Five Functions of Management*

His time would be occupied not in detail but in performing the five functions of management, namely, planning, organizing, directing, coordinating and controlling.

Since business's greatest assets are its human assets, the improvement of their value is a matter of both material advantage and moral obligation. Therefore, employees must be treated as honorable individuals, justly regarded and encouraged in their progress, fully informed and properly assigned, and that their lives and work be given meaning and dignity on and off the job.

**Such treatment would definitely bring out the greatest single factor in the productivity of an individual, namely, his mental attitude toward his boss. All this our executive would know and do.**

John L. MacCaffrey, president of the International Harvester Company, once said: "What presidents think about at night is not the profit and loss statement, but the problem of getting people to work together effectively." He stated that it isn't hard to run a business from a standpoint of business operations; the biggest trouble with industry is that it is full of human beings. "You will learn to your sorrow that, while a drill press never

***You should have education enough so that you won't have to look up to people; and then more education so that you will be wise enough not to look down on people.***

**—M. L. Boren**

***I believe the recipe for happiness to be just enough money to pay the monthly bills you acquire, a little surplus to give you confidence, a little too much work each day, enthusiasm for your work, a substantial share of good health, a couple of real friends, and a wife and children to share life's beauty with you.*** **—J. Kenfield Morley**

sulks, a drop hammer never gets jealous of the other drop hammer, the same cannot be said of people."

Our executive would well realize that training subordinates is an important part of his job. He would put a man on his own so that he would have to think through the action to be taken and be more sensitive to the reason for the success or failure, thus developing self-confidence and a capacity for carrying responsibility.

Because of the nature of our executive, the subordinate would feel free to ask for help and to admit difficulties without fear of being severely censured. Our executive, as a truly great athletic coach, would be readily available as a source of friendly, constructive criticism.

The subordinate or developing executive would learn to shadow-box the boss's job. He would figure out what he would do if he were in our executive's shoes. As a younger executive learns at least to shadow-box the senior position, he broadens his perspective and he comes to his chief with reasonable recommendations instead of problems.

### *Rotation for Training*

When he is delegated the authority and encouraged to use his own initiative, when he receives the benefit of coaching, and when he is encouraged to at least shadow-box his boss's job, learning on the job becomes an exhilarating and highly significant process in development. Our executive would realize that his position calls for a broader view and more varied experience than could be provided in any single job under him. Consequently, when training his assistants he would devise a scheme for rotation among the different jobs. This rotation for training purposes would be incorporated into the plans for replacement.

Working on committees would provide an opportunity to learn something of the problems and the points of view of men in other departments.

No set plan can be devised for the development of our executive's replacement, but it must be done on an individual basis adapted to the need of the particular person. Periodic appraisals of performance and qualifications for promotion would indicate the area in which each understudy needs improvement, and this should be used in drawing up a personal development plan.

Our executive would not be afraid to delegate authority 100 per cent. In fact, he would be afraid *not* to do so. People will make mistakes and our executive, not being super-human, would also make some. However, he would rather risk mistakes than rob his organization of its incentive and kill individual pride of achievement.

**He would make himself understood. He would get his meaning across simply and directly, either by letter, report, written orders, speeches, meetings or casual conversation. Since his achievements depend upon the efforts of others, effective communication is essential to success in transplanting plans into action.**

Our executive thus would have built varied but solid experiences. He would have had on-the-job training and have done some studying on his own—in production, sales promotion, company finance, procurement, advertising, merchandising, research, and possibly design. Whatever his job he would have done it well. He would have taken a broad view, too. He would have learned all he could about his company and his industry. He would know company policy and objectives and how they fitted into his work. He would even have learned how to stay out of the company politics.

He would know how to delegate responsibility, utilize his general knowledge, analyze and evaluate, judge people correctly and honestly, cooperate, make decisions, and organize and administer personnel.

But, after all, isn't that just the type of executive that you all are? So why not train your assistant to follow in your footsteps? Augment on-the-job training by having him attend the Graduate School of Credit and Financial Management, sponsored by the National Association of Credit Management. At one time, most executives had to reach this status by the slow, hard route of experience alone. Even a university graduate acquired his business training through practical experience. Now, at the Graduate School there is a steady progress of widening the capabilities of credit executives and improving their efficiency and effectiveness in the service of management.

Finally, train your assistants to fill your shoes so that you will be available for the bigger job ahead.

K. Calvin Sommer, moderator of the panel discussion of training and credit personnel development, is treasurer of Youngstown Sheet and Tube Company, which he had joined in 1936 as assistant credit manager. Mr. Sommer is a past vice president and director NACM.

Raymond T. Custer, district financial manager Graybar Electric Company, Boston, was graduated from St. Anselm College in 1937. He holds the Executive Award of the Graduate School of Credit and Financial Management (Dartmouth).

Robert M. Gardineer, assistant to general credit manager Continental Can Company, New York, had been secretary and associate director of NACM's Credit Research Foundation and associate director of the Graduate School (Executive Award 1953).

Oscar W. Harigel, vice president Houston National Bank, joined the bank staff in 1933, became credit department manager 1946, assistant cashier 1948, assistant vice president 1951, vice president 1954. He was a NACM director 1954-57.

J. Homer Hilf, district credit manager of Aluminum Company of America, with headquarters in Chicago, is a past director of the Chicago-Midwest Credit Management Association.

***A trade association is an organization for mutual benefit which substitutes knowledge for ignorance, rumor, guess and suspicion. It tends to substitute research and reasoning for gambling and piracy, without closing the door to adventure or lessening the value of prophetic wisdom.***

**—Justice Louis D. Brandeis**

# Modernizing the Office

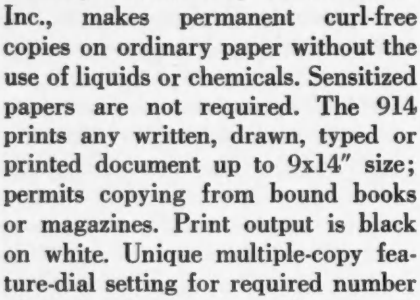
*New Equipment to Speed Production and Reduce Costs*

### New-Type Office Copier

632 Fully automatic XEROX 914 COPIER, introduced by Haloid XeroX Inc., makes permanent curl-free copies on ordinary paper without the use of liquids or chemicals. Sensitized papers are not required. The 914 prints any written, drawn, typed or printed document up to 9x14" size; permits copying from bound books or magazines. Print output is black on white. Unique multiple-copy feature-dial setting for required number of copies from one to 15 makes it similar to a shortrun duplicating machine. Prints may be made directly on offset paper master material, card stock or vellum. Unit may be purchased or leased. Write us for literature.

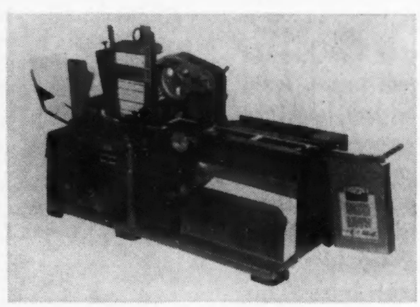
### 50-Station Collator

633 Fully automatic 50-station ROTOMATIC COLLATOR of Thomas Collator Industries Inc. will automatically collate, count, stagger or stitch at rate of 15,000 to 25,000 sheets per hour; collate in any sheet combination, from sets of 50 sheets down to sets of 2 sheets, and handle one, two or more separate jobs at the same time. Entire machine can be loaded in less than 7 minutes, company says, and takes sheet sizes ranging from 7x8" to 11x14", in a variety of weights and finishes. All controls are within arm's length.



### Small-Office Addresser

634 Compact Model 1250A Automatic Feed Addresser of ELLIOTT ADDRESSING MACHINE COMPANY automatically feeds postcards, envelopes, folders, sheets up to 7x10" size at rate of 2,000 addressed pieces per hour. Device is particularly suited for smaller office operations. To begin addressing, operator depresses a finger lever. Standard features include transcript attachment to prepare lists on either plain or gummed tape, automatic last stencil stop, and print roll throwout actuated when there is no material in addressing position.



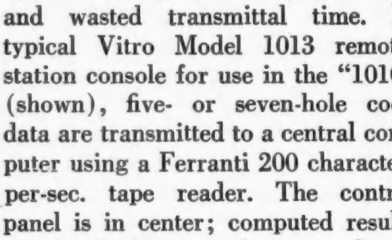
***This Department will welcome opportunities to serve you by contacting manufacturers or wholesalers for further information regarding products described herein. Please address MODERNIZING, Credit & Financial Management, 229 Park Av. So., New York 3.***

### Expands Computer Use

635 MULTIPLEXER 1010, Vitro Laboratories' new system for automatic communication of computer programs and results between central computer and as many as eight remote stations, expands computer use by eliminating scheduling problems and wasted transmittal time. In typical Vitro Model 1013 remote-station console for use in the "1010" (shown), five- or seven-hole code data are transmitted to a central computer using a Ferranti 200 character-per-sec. tape reader. The control panel is in center; computed results are received on punch tape at lower right. Input and output control functions are independent.

### Reference Book Stand

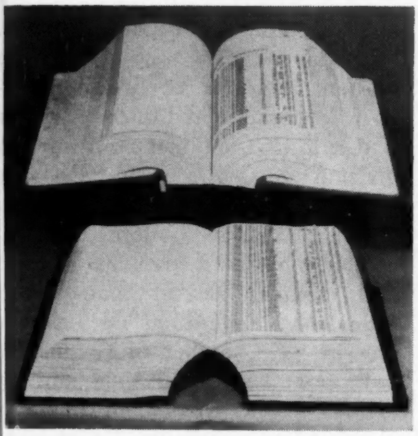
636 Designed for ease of reading, Reference Book Stand especially useful for credit department D&B reference books and similar large volumes, incorporates these important features: pages slant to normal reading posi-



tion; angle of wings of stand permits pages to be turned easily and quickly and entire page can be read. Arc design reduces strain on bindings, eliminates loose pages and sections. Stand may be had in mahogany or special wood and finishes. Available only from ALBERT PAULY. Write us for descriptive literature.

## Volume Binder for Forms

637 Modern Nylon Post Binder developed by WILSON JONES COMPANY for housing doubled volume of machine tabulated forms, features



locking mechanism which is flush with surface of the top cover, enabling level stacking of binders, one on top of another, and flexible nylon posts which allow sheets to lie flat so that all entries can be read. For burst and unburst sheets, W-J binders come in blue canvas, black imitation leather, and economy pressboard models.

## Executive Telephone

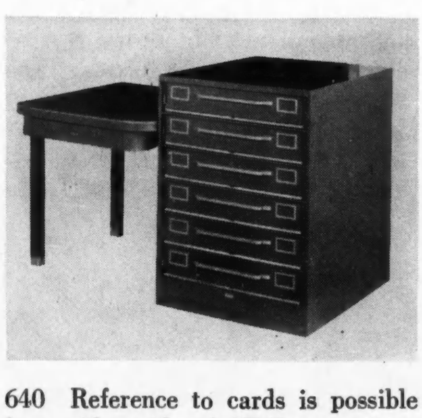
638 For interoffice contact between top executives and key staff members, the "Executive Telephone" of TELE-NORM CORPORATION has several distinctive features. By depressing a button the executive can initiate a call to a key man without lifting his receiver or dialing. Called phone is automatically rung and buzzer indicates when called party answers. "Automatic line holding" completes call when a busy phone is free. "Executive priority," another feature, permits automatic break-in on conversation, permits speaking to both parties on line.

## Keypunch Protector

639 Built-in key punch mechanism of The Hedman Company's F&E KEYPUNCH PROTECTOR punches amount

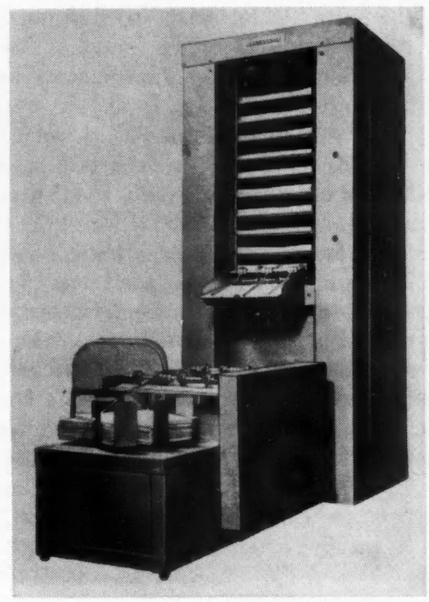

in tab card checks and money orders automatically and simultaneously as checks are imprinted with written amount. Introduction of input into the card check and register copy at time of imprinting means cards can be processed in tabulating equipment immediately. Single or multiple punch card sets are accurately positioned for positive registration. Company's Royal Companion Check Signing and Dating machine may be operated as a unit with the Keypunch Protector.

## Two-Way File Traffic



640 Reference to cards is possible from either side of GF DOUBLE-ACTING SUPER CARDER File of The General Fireproofing Company because file drawers can be pulled out from front or rear. Unique feature enables operators, researchers on either side to have easy access to crossfiled card records simultaneously without interfering with each other. Cabinets are easily added or taken away as volume demands. Model 3544DAX is for 8x5" and 6x4" cards, Model 3566-DAX for 2¼x3", 5x3", and tabulating size cards. Sliding adjustable posting table can be used with the Super Carder.

## Economy-Model Collator



641 Introduced at the National Business Show in New York, the COLLAMATIC CORPORATION'S Collamatic "15" economy-model 15-station Collator automatically assembles, jogs, counts, staples and stacks. Low-cost feature leaves less excuse for wasteful time-consuming hand collating, puts automatic collating within reach of more offices. "Collating Survey and Analysis Form", for quick estimate of savings obtainable through elimination of hand collating, is offered free by company.

### High Quality Personnel Needed To "Teach" the EDP Machines

High quality individuals are the key to top-grade programming in electronic data processing, James Gibbon, director of management service, Price, Waterhouse & Co., told the New York Control of the Controllers Institute of America.

# 22 Committee Chairmen, 200 Members Set Record Goal For Credit Congress

**FRANK W. RIES**
*The R. J. Brown Co., St. Louis, Mo.*
**Chairman, Publicity Committee**
*64th Annual Credit Congress*

TO UPHOLD the tradition of the Gateway to the West, the host association convention executive committee is preparing to "open the gates" wide for the 64th Annual Credit Congress of the National Association of Credit Management, in St. Louis May 15-19, 1960.

All stops have been pulled out to organize and program the best and biggest Credit Congress yet presented.

No organization is any better than its members, and the St. Louis Association of Credit Management is blessed with an abundance of fine executives and assistants. All 22 committee chairmen and nearly 200 committee members, carefully selected from the more than 900 association members, have been meeting regularly to plan this gathering.

S. J. HAIDER

With such an organization cooperating with S. J. Haider, NACM vice president and convention director, the general convention executive committee has set up a complete plan for every committee.

Many of the committees have completed their preparations and stand ready at the "Gate" for the delegates. Others with more details to handle are carefully carrying out this well-organized program.

Following are brief biographies

RALPH E. BROWN
General Convention Chairman

of the general chairman, honorary chairman, vice chairmen and other executives who are heading the overall preparations for the convention.

The general convention chairman is Ralph E. Brown, vice president of Marsh & McLennan, Inc., and vice president of NACM's Central Division.

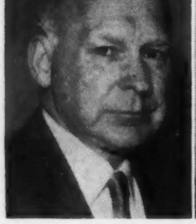
Starting in 1927 with what is now the largest firm of insurance brokers in the world, Mr. Brown rose through the ranks to the vice presidency. His activities are so numerous that space would not permit listing them. In credit management he has held many offices such as directorship in both his local association and the National organization, as well as numerous committee assignments both locally and in National. Mr. Brown received his education at the University of Illinois and the U. S. Military Academy. Among his civic interests are the Missouri Chamber of Commerce, Community Chest, Boy Scouts and Defense Corps.

#### *Eggerding Honorary Chairman*

Victor C. Eggerding, 1952-53 president of NACM, is honorary chairman. From general credit manager of Gaylord Container Corporation, Mr. Eggerding in 1957 was advanced to assistant treasurer of Crown Zellerbach Corporation and financial officer of Gaylord Container Corporation Division of Crown Zellerbach. His education at Brown's Business College and Benton College of Law, leading to his law degree, was coupled with company credit management duties. Mr. Eggerding has held offices in the Chamber of Commerce, Red Cross, YMCA, Kiwanis, and the Social Planning Council of St. Louis and St. Louis County.

#### *Gerecke Program Chairman*

Convention vice-chairman Arthur F. Gerecke, as program and speakers committee chairman, is hard at work lining up nationally and internationally known speakers for the wide-scope presentations from the dais. Mr. Gerecke is manager of the credit and adjustment department of Pulitzer Publishing Co., for both the St. Louis *Post-Dispatch* and stations KSD (radio) and KSD-TV. He is a past president and director of the St. Louis Association and served on the Adjustment Bureau board. Nationally he has held several committee posts and he is a past president of the Advertising Media Credit Executives Association, International. He has been on the board of the St. Louis Better Business Bureau. Mr. Gerecke re



A. F. GERECKE

J. F. SCHOFIELD

N. I. OTTINGER

J. A. FLOOD

E. J. BALL

P. J. WILDER

R. E. DEWHIRST

ceived his degree in economics at the Wharton School of Commerce and Finance, University of Pennsylvania.

***Began as Membership Director***

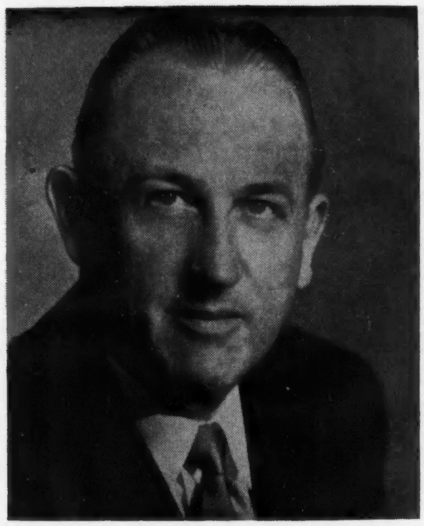
J. F. (Jack) Schofield, executive vice president of the St. Louis Association, is secretary of the convention executive committee. He started with the association in 1947 as membership director, and the walls of his office are lined with association membership trophies. Under his leadership several industry credit services have been developed. Native St. Louisan and graduate of the University of Iowa, he served the St. Louis office of Liggett & Myers Tobacco Company 18 years in sales and credit management. In 1951 he was elected treasurer-manager of the Adjustment Bureau and secretary-treasurer-manager of the association, and in 1957 to the newly created office of executive vice president, continuing as secretary-treasurer of the NACM affiliate.

***Ottinger Heads Host Unit***

N. I. Ottinger, president of the St. Louis Association and a convention vice-chairman, is a native of Tennessee, a graduate of Missouri Business College, and in World War II was an Infantry radio operator in the South Pacific Area. Entering the credit field in 1946, he went with Cook Paint & Varnish Company three years later, was credit manager at Fort Smith and advanced to district credit manager in 1950. In the St. Louis Association he was honored for contributing most to the membership drive when St. Louis won the Class A award in 1956-57. He is past Superzeb of the St. Louis Herd of Zebras. He is one of the youngest presidents ever elected by the St. Louis Association.

***Active in Education Programs***

James A. Flood, a convention vice chairman, has been credit manager of Monsanto Chemical Company's Organic Chemical Division since 1954. Born in St. Louis, he was educated at City College and Missouri Institute of Accounting and Law, before joining Monsanto's service department in 1935. From the order, billing and accounting departments he went into credit work in 1940. Active in local and outstate affiliated association forums, workshops and educational



**VICTOR C. EGGERDING**
**Honorary Chairman—NACM Past President**

programs, Mr. Flood is past president, currently councillor, of the St. Louis Association and a director of the Better Business Bureau of Greater St. Louis. He is also chairman of the host association attendance committee for the Credit Congress.

***Heads Entertainment Planning***

Heading the convention entertainment preparations is vice chairman E. J. Ball. Mr. Ball is assistant treasurer of White-Rodgers Co., with which he started in 1945 after spending many years with Brown Shoe Company as credit manager of subsidiary companies. Vice president of the association 1933-34 and a director many years, he has been a board member of the Sales Executives Association and the Better Business Bureau.

***Industry Meetings Chairman***

Chairman of the Industry Meetings committee is P. J. Wilder, past president and director of the St. Louis Association and a convention vice chairman. Mr. Wilder, graduate of St. Louis University school of commerce and finance and with four years in public accounting, became credit manager for Century Electric Company in 1949. He received the Fellow Award of the National Institute of Credit in 1939.

Rex E. Dewhirst, a convention vice chairman, has been with International Shoe Company 37 years. He joined the Roberts, Johnson and Rand Division of International in 1922 and eventually held every position in the credit department. In 1944 he was named division credit manager and today he is one of the company's chief executives. Mr. Dewhirst has been a member of the St. Louis Association many years.

***Women's Activities Set***

The convention's general executive committee is being ably assisted by many other committee chairmen and vice chairmen.

The Credit Women's Committee, with Mrs. Evelyn Meints of R. E. Funsten Company in charge, assisted by vice chairmen Mrs. Bertha Ridley, The Glidden Company, and Mrs. Mae Simon, Machinery, Inc., has already organized a most interesting and educational program.

***Tours for the Women***

The Hostess Committee has Mrs. Ralph E. Brown as chairman and Mrs. V. C. Eggerding as honorary chairman, aided by the wives of the general committeemen. Tours and entertainment programs for the visiting ladies are already arranged.

With such complete organization and most cooperative subcommittee workers, the Congress in St. Louis May 15-19 promises to fill every need of the delegates.

***AT EDUCATIONAL SESSION of the Plumbing Wholesalers Group of the NACM Carolinas Unit, Inc., Charlotte: (l to r) M. L. Mitchell, secretary-manager; Wyatt Gordon, credit manager, Carolina Heating and Appliance Co., Charlotte, and Grace Reid, credit manager of Hajoca Corp., Asheville.***

# Discussions in Six Panels Cover Wide Front of Subjects at 35th Petroleum Credit Conference

THE NEW BOARD of officers and directors of the American Petroleum Credit Association, named at the 35th Annual Conference, in Minneapolis. SEATED, left to right: S. J. Haider, St. Louis, APCA Secretary; R. C. Utley, Aurora Gasoline Co., Detroit, treasurer; H. W. Dugdale, Shell Oil Co., Detroit, vice president; W. J. Habkirk, The British American Oil Co. Ltd., Toronto, president; W. H. Montgomery, The Pure Oil Co., Chicago, immediate past president; J. R. Gramont, Standard Oil Co. of California, Western Operations, Inc., Los Angeles, regional vice president; G. J. Timone, The American Oil Co., New York, regional vice president; H. J. Denman, American Petrofina Co. of Texas, Dallas, regional vice president.

STANDING: Directors, R. S. Lampkin, Supertest Petroleum Corp. Ltd., London, Ont.; M. E. Bruce, Humble Oil & Refining Co., Houston; W. H. Swatzel, Phillips Petroleum Co., Bartlesville; H. M. McDonald, Cities Service Oil Co., Chicago; G. H. Stout, Richfield Oil Corp., Los Angeles; J. E. Seibert, The California Oil Co., Perth Amboy; James V. McLaughlin, American Mineral Spirits Co., Murray Hill; J. S. Neff, Gulf Oil Corp., Pittsburgh; R. R. Thomas, The Shamrock Oil & Gas Corp., Amarillo; Paul J. Murphy, Kerr-McGee Oil Industries, Inc., Oklahoma City.

SIX PANEL discussions, on as widely varied topics as credit cards, reseller-dealer, and jobber financing, and personnel development, shared interest with formal addresses at the 35th Annual Conference of the American Petroleum Credit Association, in Minneapolis.

William L. Holmes, assistant treasurer of Schlumberger Well Surveying Corporation, Houston, president of the National Association of Credit Management opened the speaker program of the Conference, which elected as APCA president W. J. Habkirk, manager-credit department, The British-American Oil Co., Ltd., Toronto. H. W. Dugdale of Shell Oil Co., Detroit, was made vice president, and H. J. Denman, American Petrofina Co. of Texas, Dallas, is a newly named regional vice president. (See group picture for other officers and directors).

The importance of character analysis in credit operations was discussed by Mr. Holmes, who was introduced by APCA's retiring president, W. H. Montgomery, general credit manager of Pure Oil Company, Chicago, following words of welcome from Mayor P. Kenneth Peterson to the 125 credit executives attending.

"Recent Trends in Banking and Credits" was the topic of John A. Moorhead, president Northwestern National Bank, Minneapolis. Chester H. Lauck, executive assistant Continental Oil Company, Houston, was luncheon speaker.

The first panel and open forum discussion, on "Road Contractors," had as moderator W. W. Workman, general credit manager Union Oil Company, Los Angeles. The panelists were R. M. Benson, Continental Oil Co., Kansas City, Mo.; H. C. Burns, Mobil Oil Co., Chicago; T. C. Knight, Northwestern Refining Co., St. Paul; and W. H. McIntyre, Texaco, Inc., Minneapolis.

*W. J. HABKIRK (left), president-elect of the American Petroleum Credit Conference, receives the gavel from W. H. Montgomery, retiring chief executive.*

H. M. McDonald, general credit manager Cities Service Oil Co., Chicago, was moderator of the panel on credit cards with these members: H. M. Barrentine, Skelly Oil, Kansas City; F. D. Drake, Mobil, New York; W. M. Smith, Standard (Indiana), Chicago, and R. W. Vanden Heuvel, Shell, San Francisco.

### *Educator Traces Progress*

The second day opened with an address by President Paul H. Giddens of Hamline University on "The Petroleum Industry—A Century of Progress."

Reseller-dealer financing operations were reviewed with Mr. Habkirk as moderator and panelists P. R. Helbig, Phillips Petroleum, Minneapolis; M. V. Johnston, Gulf, Pittsburgh; J. P. McLaughlin, Richfield, Los Angeles; and M. L. Rufer, Standard (Indiana), Chicago.

"Much Boom—No Bust" was the provocative title of an analysis of business trends in terms of current developments, by Dr. Arthur R. Upgren, professor of economics, Macalester College, addressing the luncheon gathering.

Victor H. Gibson, general credit manager Skelly Oil Co., Kansas City, as moderator, headed the discussion of agriculture credits. Speakers included H. M. Allen, Sinclair Refin-

ing, Chicago; H. R. Chesney, General Petroleum, San Mateo, Calif.; L. E. Jones, Arkansas Fuel Oil, Shreveport; and H. R. Wakefield, Sun Oil, Philadelphia.

***The Personnel Development Factor***

"Credit Department Personnel Development" had as moderator Frank J. Hutchings, manager-credit coordination, Esso Standard Oil Co., New York, and these panelists: J. S. Neff, Gulf, Pittsburgh; E. W. Walerius, Pure Oil, Chicago; and J. Allen Walker, Standard Oil Company of California, San Francisco, past president NACM.

The panelists' topic at the final session was "Jobber Financing—Gasoline, Fuel Oil, Propane" with E. B. Peterson, general credit manager Continental Oil Co., Houston leading off as moderator. Participating were D. E. Burroughs, Shell Oil, New York; A. E. Fletcher, Standard (Ohio), Cleveland; William Stockton, Atlantic Refining, Philadelphia; and Dewey Walker, D-X Sunray Oil Co., Tulsa.

The 36th Annual Conference will be held October 9-12, 1960, in New York City.

## N. Y. Association President Welcomes 50 Executives To Foundation Workshop

J. Joseph Brown, credit manager of Leslie, Catlin & Co., Inc., president of the New York Credit and Financial Management Association, welcomed the more than 50 credit and financial executives at the opening session of the New York Credit Management Workshop, held at the New York Advertising Club. Registrants from 24 cities, representing 14 states and the District of Columbia and Canada, were present to discuss the subject, "People—Your Partners in Progress." William P. Layton, managing director, Credit Research Foundation, served as director.

Others taking part in the opening exercises were Barrett Tanner, secretary, New York Credit and Financial Management Association, and Harold J. Kneuker, assistant treasurer, American Machine and Foundry Co., and chairman of the Metropolitan Chapter of the Foundation.

Four discussion groups were under the direction of the following experienced leaders: William G. Sharwell, personnel research supervisor,

***AT NEW YORK CREDIT MANAGEMENT WORKSHOP. Left to right: W. P. Layton, director of education, National Association of Credit Management; J. Joseph Brown, credit manager of Leslie, Catlin & Co., president of the New York Credit and Financial Management Association; H. J. Kneuker, assistant treasurer, American Machine and Foundry Co., chairman of the Metropolitan Chapter of NACM's Credit Research Foundation, and Barrett Tanner, secretary of the New York association.***

American Telephone and Telegraph Co., New York; Robert A. Love, director, evening and extension division, Bernard M. Baruch School of Business Administration, City College of New York; Charles F. Bound, vice president, Morgan Guaranty Trust Co., New York, and Paul E. George, assistant to the president, Columbian Rope Co., Auburn, N. Y.

Luncheons were held on Thursday and Friday and a fellowship hour followed the afternoon session on Thursday.

The annual New York Workshop was inaugurated last year.

## 55 at First Credit Workshop Held in Pacific Northwest

The first Credit Management Workshop ever conducted in the Pacific Northwest was attended by 55 credit and financial executives. Lake Wilderness Lodge, Maple Valley, Washington, was the site of the three-day session sponsored by the Credit Research Foundation of the National Association of Credit Management. Four affiliated units in the United States and one in Canada participated: The Portland, Seattle, Spokane and Tacoma associations and the Vancouver, B.C., unit of the Canadian Credit Men's Trust Association, Ltd. William P. Layton, managing director of the Foundation, had charge of the Workshop.

Leading the discussion of the topic, "Customer Counseling", were Wendell Jones, regional credit manager W. P. Fuller & Co., Seattle; Leonard Marks, Jr., assistant professor of finance Graduate School of Business Administration, Stanford University; Thomas S. Prideaux, vice president The United States National Bank, Portland; and J. Allen Walker, general credit manager Standard Oil Company of California, San Francisco, NACM past president.

## 67 Win Fellow Certificates In Institute of Credit Exams

Sixty-seven credit men and women have been awarded Fellow Certificates by the National Institute of Credit following the nationwide examination given in June. There were 89 candidates from 22 affiliate units of the National Association of Credit Management, comprising the largest participation in the history of the Institute.

Total participation has been increasing annually for several years.

Local associations' education chairmen, officers and secretary-managers helped conduct the examination.

The examination for 1960 will be offered June 6, 7, and 8.

***A fellow has to be a mighty big egotist to feel important while looking at the stars.***

**—Chicago Tribune**

# 300 Credit Women from 14 States At Midwest Conference in Chicago

MORE than 300 women credit executives from 29 cities in 14 states heard addresses on business economics, inflation, insolvency and effective credit management at the 19th Annual Midwest Credit Women's Conference, with the Credit Women's Club of Chicago as host.

MRS. SETHALER

Following a Friday night reception came a full day of addresses, entertainment and banquet, then a Sunday brunch and business session presided over by Mrs. Alta Sethaler, chairman National Credit Women's Executive Committee. Mrs. Sethaler is credit manager of Central Electric Supply Company, Denver.

Official greetings of the National Association of Credit Management were extended at the opening session by president William L. Holmes, assistant treasurer Schlumberger Well Surveying Corporation, Houston. Representing the Chicago-Midwest Credit Management Association was first vice president Orville B. Tearney, manager of credit and insurance, Inland Steel Company, who later addressed the delegates on today's requirements for effectively managing credit operations. For the City of Chicago, Col. Charles F. Mitchim, district engineer, U. S. Army District, Chicago, traced the history and potentials of the St. Lawrence Seaway and the completion of construction by the U. S. Army Engineers.

Responding to the addresses of welcome was NACM director Miss Blanche Scanlon, assistant general manager, Coffee Division, Nash-Finch Company, Minneapolis.

### *Insolvent Debtor Is Theme*

A practical approach to the problem of the insolvent debtor was presented by guest speaker Harold S. Lansing, of Blanksten and Lansing, attorneys.

Presiding at this first session was the general chairman of the Conference, Miss Edna A. Marsch, assistant secretary Supplies, Inc., and a director of Chicago-Midwest Credit Management Association. The invocation was by Mrs. Mabel Wilke, secretary and assistant treasurer, Continental Scale Corporation. Mrs. Wilke is past chairman NCWEC.

On the lighter side was the luncheon address, "Yust for Fun", by Mrs. Lillian Bergdahl Smith. Presiding was Miss Irene Austin, Conference co-chairman and past chairman NCWEC, with invocation by Mrs. Ruth McManus, credit manager Cummins-Chicago Corporation and past president of the Credit Women's Club of Chicago.

Addressing the afternoon session, Dr. Melchior Palyi, consulting economist, author and lecturer, asked and answered the question, "More Inflation?" He was introduced by Miss Catherine A. Boland of John A. Roebling's Sons Division of The Colorado Fuel and Iron Corporation, past president of the Chicago credit women's group.

### *"Give America Credit"*

"Give America Credit", advised J. Roger Deas, of American Can Company, New York, in the banquet address. He was introduced by Miss Ollie M. Smith, Dearborn Chemical Co., CWCC past president. In charge was Miss Freda C. Moll, secretary New City Iron Works and president of the Chicago credit women's organization. Invocation was by Miss Emily Davidson, past president.

At the Sunday forenoon session, following the invocation by Miss Frances E. Sauer, treasurer Peerless Confection Company, and the singing of "Ave Maria" by Miss Carol Anne Ennis, reports of NCWEC officers were presented. Vice chairmen are: education, Miss Mildred McCall, Walter Johnson Candy Company, Chicago; membership, Mrs. Mary McGraw, The Binghamton Container Company, Binghamton, N.Y.; publicity, Miss Margaret Hail, Chattanooga (Tenn.) Medicine Company.

Miss Alice B. Sander, assistant secretary-treasurer, Chicago Lock Company, was Conference reception chairman. Mrs. Myrtle Swisher, Ender Coal and Coke Company, had charge of registration.

*NEW CABINET of the New England Association of Credit Executives, Inc., Boston. SEATED (l to r) Raymond T. Custer, New England district financial manager, Graybar Electric Co., Inc., association first vice president; Albert Pauly, credit manager, Samuel Cabot, Inc., president; George E. Phalen, Jr., assistant vice president, First National Bank of Boston, second vice president of the association. STANDING: Everett B. Trask, credit manager, E. F. Mahady Co., assistant treasurer; and George F. Moss, credit manager, Brown Durell Co., treasurer.*

## *Walter Child Heads FCIB Club*

Walter Child, vice president, Stafford Miller, Inc., Jersey City, was named chairman of the Drug & Chemical Export Club of the Foreign Credit Interchange Bureau at the club's annual meeting in New York. Henry Helmers, assistant credit manager, Pfizer International, Inc., was elected vice-chairman. Frank Bor, Jr., controller, Johnson & Johnson International (Pan American Division), retiring chairman, was honored with the new officers at a reception and dinner.

## J. S. Increases Trade with ndustrialized Countries

United States trade with indus- rialized countries has increased uch faster than with the others, and o American businessmen need have o misgivings that industrial develop- ent of socalled backward nations ould impair U.S. exports, Bradley isk, acting assistant secretary of ommerce, told a World Trade Con- rence at St. Louis University.

The conference was sponsored ointly by the University, the St. ouis Association of Credit Manage- ent, Export Managers Club of St. ouis, and the Chamber of Com- erce of Metropolitan St. Louis.

"If the less developed areas of the orld were to buy just a dollar's orth of American goods more each ear per capita," Mr. Fisk declared, our exports would increase by $2.4 illions annually."

In a panel discussion which fol- wed, the moderator was James L. harp, chairman of the Chamber's orld trade committee. The panelists ere Thomas A. Wallace, Frederick owland and Hector R. Dominquez.

## ew England Executives Hear assachusetts Budget Chief

Kermit C. Morrissey, budget com- issioner of the Commonwealth of assachusetts, discussed "The Fiscal risis and Public Comprehension of hat Crisis", at a joint meeting of the ew England Association of Credit xecutives, Inc., and the Boston hapter of the National Institute of redit.

# *Chart Credit Program, Moran Suggests To 225 North Central Area Conferees*

POSITIVE approach to credit operation with a charted program, preparedness for the future in all departmental activity, planned management in an expanding economy, and a call to daily educational improvement were among the topics analyzed for more than 225 executives who attended the 43d annual gathering of the North Central Credit Conference, in Moorhead, Minn.

Participants were from the National Association of Credit Management affiliate units of Minneapolis, St. Paul, Duluth-Superior, Greater Grand Forks and Fargo-Moorhead, and the Manitoba Division of The Canadian Credit Men's Trust Association, Ltd.

In the tradition of the conference, Group Meetings were highlighted.

### *Chart Program, Moran Suggests*

Chart your departmental programs so that the personnel can definitely visualize what they are expected to accomplish, Edwin B. Moran, NACM executive vice president, told the opening day luncheon session.

"We in credit work must learn to keep our thinking positive so that top management will fully recognize our contribution to the company's sound profit volume", he said.

**"The credit executive's job is to expedite the turnover of the company's working capital, just as the sales executive's function is to expedite turnover of the company's inventory."**

Management planning today calls for executive control, counseling, constant up-dating of systems and methods, said Franklin G. Emrich, management consultant, in his address at the opening session.

Spelling out the services of association endeavor at both the National and Local levels to individual members, Miss Blanche M. Scanlon, assistant general manager, coffee division, Nash-Finch Company, Minneapolis, declared that the association "functions as a business partner, offering a wealth of information, know-how and tools."

### *The Waterway and Trade*

Showing of a film, "North Dakota, the Changing Picture", opened the second day session, followed by a summarization of the Group meetings' discussions, then a panel analysis of factors affecting the future of the trade area, underscoring the new potentials of Duluth as a port following completion of the St. Lawrence Seaway. Homer W. Ludwick of Fargo, executive vice president of the Greater North Dakota association, was moderator.

### *Burke Emphasizes Education*

Every credit executive could well spend an hour a day educating himself for greater service to company and profession, said Eric T. C. Burke, general manager, Canadian Credit Men's Trust Association, Ltd., at the Saturday luncheon. Mr. Burke was introduced by Gordon MacLean, past national president CCMTA.

Ralph E. Brown, vice president, Marsh & McLennan, Inc., St. Louis, NACM vice president Central Division, spoke on staff organization of the National.

Dr. John Neumaier, president of Moorhead State College, was guest speaker at the annual banquet. The educator, tracing the problems generated abroad in Hitler's day and the political philosophy of Soviet Russia today, urged that America keep ever on the alert to preserve its free enterprise system.

*T THE HELM of the Lexington (Ky.) Credit Men's Association. (L to R) bert E. Gross, Brock McVey Co., Inc., association president; Ben P. Eubank, , Ben P. Eubank Lumber Co., vice president; Lucy M. Snyder, association retary; and directors J. W. Mann, Lexington* Herald-Leader; *A. G. Mainous, izens Union National Bank and Trust Co., and Phil Weisenberger, Weisen- rger Flour Mills, Midway, Ky.*

PHOTO BY HERALD-LEADER

## CALENDAR OF EVENTS IMPORTANT TO CREDIT

SANTA BARBARA, CALIFORNIA
*January 21-23, 1960*
Sixth Annual California Credit Management Workshop

MINNEAPOLIS, MINNESOTA
*January 29 and 30, 1960*
Second Annual Credit and Financial Management Seminar in cooperation with the University of Minnesota

CHICAGO, ILLINOIS
*February 18-19, 1960*
NACM Credit Management Workshop

DALLAS, TEXAS
*April 20-22, 1960*
Annual Conference of the Southwest Petroleum Credit Association

ST. LOUIS, MISSOURI
*May 15-19, 1960*
64th Annual Credit Congress

ST. PAUL, MINNESOTA
*September 16-17, 1960*
North Central Credit Conference including Minnesota, North Dakota, Manitoba

NEW YORK, NEW YORK
*September 29-30, 1960*
New York Credit Management Workshop

NEW YORK, NEW YORK
*October 9-12, 1960*
36th Annual Conference of American Petroleum Credit Association

PHOENIX, ARIZONA
*October 17-19, 1960*
Annual meeting of the Secretary-Managers of the local associations of the Western Division.

DES MOINES, IOWA
*October 19-21, 1960*
Tri-State Credit Conference, representing Iowa, Nebraska and South Dakota.

SAN DIEGO, CALIFORNIA
*October 20-21, 1960*
Pacific Southwest Credit Conference, including California, Arizona, Utah, Colorado, Nevada

BALTIMORE, MARYLAND
*October 20-22, 1960*
NACM Eastern Division Credit Conference

## *PERSONNEL MART*

***Credit Executive Available***

EDUCATION: BA Accounting and Business Administration. 15 years experience credits, collections — supervision — banking — budgeting — financial policy. Qualified for full responsibility. Believes in intensive personal contact to strengthen marginal accounts. Salary $10,000 to $12,000. Will relocate and travel. CFM Box #481.

***Experienced Credit Manager***

EXPERIENCED, fully qualified Credit Manager desires position with manufacturer or wholesaler. Will relocate. Work background covers sales, accounting, credit and office management. Was secretary-manager of NACM affiliate association in midwest. Age 40, family. CFM Box #482.

### Cincinnati Speakers' Bureau Is Invited to Keep Talking

The Speakers' Bureau of the Cincinnati Association of Credit Men, composed of 13 members, has completed its first year with a record of having addressed more than 1500 businessmen about the responsibilities of credit in the business community. "The 13 members serving on the Speakers' Bureau received a great deal of personal benefit and satisfaction in presenting their profession through this special activity," noted chairman Orville Sorrell, treasurer and assistant secretary, Michaels Art Bronze Company, Covington, Ky., a past president of the association, in reporting initiation of the group's second year of activity.

### Moran Addresses Institute of American "U," Washington, D.C.

Counseling the customers and building the marginal accounts for greater sound volume business are taking the credit executive more and more into the field as a member of the selling team of his company, Edwin B. Moran said in Washington, D.C.

The executive vice president of the National Association of Credit Management addressed the Institute on Administration of Credit and Collections conducted by American University under the sponsorship of the Washington Association of Credit Men, Inc.

## *Deaths*

### Frank Fall Dies; Helped Found National Institute of Credit

Dr. Frank A. Fall, 81, one of the founders of the National Institute of Credit of the National Association of Credit and Financial Management, died at Great Barrington, Mass.

Dr. Fall, who was NACM director of research and education in the late 1920s, was a graduate of Albion (Mich.) College and held master and doctor degrees from Columbia University and Albion College.

From NACM he went to Long Island University as controller, retiring some five years ago.

### William J. Claussen Headed Chicago Association 1935-36

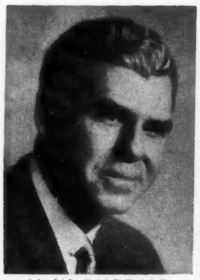
William J. Claussen, 1935-36 president of the Chicago-Midwest Credit Management Association, died at Ingalls Memorial Hospital in Harvey, Ill.

Mr. Claussen, one of the outstanding credit leaders of the Mid-Thirties, had advanced from credit manager to vice president and treasurer of Hibbard Spencer and Bartlett & Company, Inc., Chicago. He retired nine years ago.

C. L. LAWSON

R. B. GOOKIN

# Executives in the News



H. W. DUGDALE

H. E. RANKIN

R. N. TIPTON

A. S. KOLESAR

### *Pacific Northwest Executive Began Career in Retail Area*

Catlin L. Lawson, credit manager, Frigidaire Sales Corporation, Portland, Ore., president of the Portland Association of Credit Men, began his credit career in the retail field, following graduation from the University of Oregon. After five years he went with Sunset Electric Company as office and credit manager, in 1941. When the company was sold to Frigidaire Sales Corporation in 1957, Mr. Lawson was named credit manager for the Pacific Northwest area.

### *R. B. Gookin Is Elevated To Heinz Co. Vice President*

R. Burt Gookin, controller, has been advanced to vice president-finance, H. J. Heinz Company, Pittsburgh, to succeed Frank B. Cliffe, retired. He also has been named a director of the company. A graduate of Northwestern U. and Harvard Graduate School of business administration, Mr. Gookin began with the Heinz company in 1945 as an executive accountant. In corporate accounting circles he is regarded as an expert in budgetary control.

In other executive changes at Heinz, Frank M. Brettholle, manager of profit planning, was appointed to the newly created position of controller for United States operations and was made a member of the U.S. management board. Ralph W. Hunter advanced from assistant secretary to secretary of the company.

### *Detroiter's Contributions To Credit Span 3 Decades*

As the company he represents endeavors to be a "good corporate citizen," so the individual activities of H. W. Dugdale, of Detroit, are directed toward community and professional betterment. A 29-year veteran of Shell Oil Company, of which he is credit manager of the Detroit division (Michigan operation), Mr. Dugdale recently was elected president of the Detroit Association of Credit Management. He is vice president of the American Petroleum Credit Association.

### *Assumes College Alumni, Professional Leadership*

Entry into credit work, following World War II Navy service and postwar studies at Memphis State University (B.S. business administration 1950) directed Roy N. Tipton's interests to association activity. He now has been named president of the NACM Mid-South Unit, Inc. He also has served as chairman Contractors and Mill Supply Industry Group.

Mr. Tipton began with Wurzburg Brothers, Inc., Memphis distributor of packaging supplies and machinery, as assistant credit manager, now is credit manager. He is past president of MSU Alumni Club, currently regional director Delta Sigma Pi professional business administration fraternity.

### *Connecticut Executive Holds Local, State Posts*

Following Army service in the Hawaiian and Philippine Islands from 1940-45, Andrew S. Kolesar went with The Producto Machine Company, Bridgeport, Conn. Early responsibilities made him thoroughly familiar with accounting and billing department operation. In 1953 he was appointed credit manager. He is addiionally office manager.

Active in credit, Mr. Kolesar is president of the Credit Managers Association of Southwestern Connecticut and vice president Connecticut Association of Credit Men. Interests include Community Council of Catholic Men and YMCA.

### *Secretary and Director of Iowa Company Began as Bookkeeper*

Starting in 1949 as bookkeeper with Schmitt & Henry Manufacturing Company, Des Moines furniture manufacturer and distributor, Herbert E. Rankin advanced to assistant credit manager, then to credit manager in 1953. In December 1956 he was made a director and two years later was promoted to secretary of the company. Mr. Rankin is president of NACM-Iowa Unit.

Purple Heart veteran of the Infantry, European theater, he later served at the War Crimes Trial in Nuremberg. In his community, Mr. Rankin has been active in forming a new Suburban Methodist Church, serving on the finance and building committees.

# An Index to Articles Published in 1959

*Reviewing the Year of Credit and Financial Management in Print*



***NOTE: Cross-indexing all the many subjects discussed indirectly under the general topics in symposiums and debates-in-print necessarily would make this Index too cumbersome for ready reference. Therefore, see the heading "Symposiums" for impinging subjects.***

### Leasing



### Legal



### Legal Rulings and Opinions



### Management (See also Symposiums)



### Marginal Accounts



### Robert Morris Associates



### NACM (See also Credit Congress)



### Office Planning and Equipment (See also Symposiums)



### Pension Funds



### Problem Cases Authored by



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*People's Capitalism*

**Employees now are receiving jury pay, severance pay, military-leave pay, hospitalization and life insurance, vacation, pension plan, overtime, and from five to eleven paid holidays a year.**
**Question: who needs Russia?**

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### Profiles



### Public Relations



### Retainages



### Sales-Credit Relations



### Small Business



### Statement of Principles



### Symposiums



### Taxes (See also Insurance, Legal Rulings)

# Reports from the Field

MILWAUKEE, WIS.—"Long Term and Equity Financing" was subject of Milo Snyder, executive vice president, Loewi & Co., Inc., at the meeting of the Milwaukee Chapter, National Institute of Credit.

PHILADELPHIA, PA.—"Earnings, Insurance and Credit" was discussion theme of Dr. Clyde M. Kahler, professor of insurance, Wharton school of finance and commerce, U. of Pennsylvania, at the luncheon meeting of The Credit Men's Association of Eastern Pennsylvania.

A series of four panel discussions sponsored by the association led off with the subject "Collection Techniques" discussed by James T. Dunn, Supplee-Biddle-Steltz Co.; H. W. Binder, International Latex Corp.; Brooks Webster, Electric Storage Battery Co., and George Ashe, of the association's collection department.

"Bankruptcies, Reorganization and Out-of-Court Settlements" featured a subsequent panel discussion meeting, with these participants: Russell L. Hiller, referee in bankruptcy, U.S. Court eastern district of Pennsylvania, Reading; E. J. Agnew, general credit manager, Campbell Soup Co.,; Leon S. Forman, of the law firm Wexler, Mulder & Weisman; G. A. Paterno, credit manager, John M. Otter Co. and chairman of the Fraud Prevention committee of the association. John E. Mulder, of the law firm Wexler, Mulder & Weisman, was moderator.

BALTIMORE, MD.—"A Look Ahead" was topic of C. P. Ives, associate editor of *The Sun*, at the dinner meeting of the Baltimore Association of Credit Management.

DETROIT, MICH.—"Peace, Prosperity and U.S. International Trade" was the topic of Philip J. Gray, secretary, NACM, at the dinner meeting of the Detroit Association of Credit Management.

SAN FRANCISCO, CALIF.—"What Makes California Tick?" was analyzed by Dr. Harold Furst, assistant vice president, Bank of America NT & SA, at the dinner meeting of the National Institute of Credit, Credit Managers Association of Northern & Central California.

"Stepping Up into Bigger Shoes", or a blueprint for personal development, was theme of Dr. W. Ballentine Henley, at the luncheon meeting of the Credit Managers association. Dr. Henley is president College of Osteopathic Physicians and Surgeons, and member board of water and power commissioners, City of Los Angeles. Arrangements to hear Dr. Henley were made through the courtesy of General Motors Corporation.

DAYTON, OHIO—Edwin L. Covey, chief of bankruptcy, Administrative Office of United States Courts, Washington, D.C., addressed the Dayton Association of Credit Men at their dinner meeting.

UTICA, N. Y.—The present state of our economy was discussion topic of Joseph P. Craugh, president and general manager, Utica Mutual Insurance Company, at regular dinner meeting of the Central New York Association of Credit Men, Inc.

BOSTON, MASS.—Dr. J. Paul Mather, president of U. of Massachusetts and specialist in business and economics, addressed the meeting of the New England Association of Credit Executives, Inc. His talk was titled "The Community Faces the Long Hair." On the afternoon of the meeting, members toured the Federal Reserve Bank of Boston and attended a flannelboard presentation on the Federal Reserve System.

BINGHAMTON, N.Y.—H. L. Leeb, sales representative, Syracuse Credit Bureau, was guest speaker at the dinner meeting of the Triple Cities Association of Credit Management.

GRAND RAPIDS, MICH.—Ralph E. Brown, vice president Marsh & McLennan, Inc., St. Louis, vice president NACM Central Division, addressed the luncheon meeting of NACM (Western Michigan). He titled his talk "Today's Target."

"The World's Most Mechanized Post Office" was theme of soundfilm-accompanied talk of Lester R. Korten, superintendent of training, Grand Rapids Post Office, at another meeting of the association.

MINNEAPOLIS, MINN.—Minneapolis' business climate was subject of Harry R. Hall, executive vice president, Minneapolis Area Chamber of Commerce, at the dinner meeting of the Credit & Financial Management Association.

DES MOINES, IOWA—Paul Baichly, division credit manager, Ralston-Purina Co., addressed the statewide meeting session of the Feed, Seed and Fertilizer Group of the NACM-Iowa Unit.

## *With the Women's Groups*

BINGHAMTON, N.Y.—Medical Hypnosis was intriguing topic at the dinner meeting of the Triple Cities Credit Women's Club. Dr. N. R. Occhino, specialist in internal medicine, gave the talk.

BOSTON, MASS.—Thomas J. Moccia, urban development department of Greater Boston Chamber of Commerce, discussed the city's fiscal and tax situation, at the meeting of the Credit Women's Group of the New England Association of Credit Executives, Inc.

CINCINNATI, OHIO—Clyde Voris, manager employee and public relations, Colonial Stores, midwest region, was speaker at joint dinner meeting of Credit Women's Group and Cincinnati Association of Credit Management.

KANSAS CITY, MO.—On the occasion of its 30th anniversary the Kansas City Wholesale Credit Women's Club members invited their bosses. Mrs. Alta Sethaler, chairman National Credit Women's Executive Committee, attended.

OMAHA, NEBR.—"Preparing for Progress through Job Analysis," theme of Lowell Horning, of The United States National Bank of Omaha, featured the dinner meeting of the Credit Women's Group of NACM Nebraska-Western Iowa Unit.

ST. LOUIS, MO.—"Around the Clock with Today's Credit Woman," meeting theme of the Credit Women's Club of St. Louis, introduced Mary E. Kelley, Allied Construction Equipment Co., as "Today's Credit Woman." Roundtable discussions chaired by Mayme Lee Parrish, United States Plywood Corp., had these participants as group spokesmen: Lorene Kuerz, Te-Co., Inc., "Appraisal of Credit Risks"; Evelyn Kirby, Fayscott Landis Machine Corp., "Ratios"; Rose Migdall Kohn, New Era Shirt Co., "The Marginal Account"; and Mildred McGrath, Truck Equipment Co., "How to Get In the Dollar."

SEATTLE, WASH.—John Bowe, training supervisor of off-hour training, Boeing Transport Div., Boeing Airplane Co., was guest of the Seattle Credit Women's Group. His subject was "The 707 and the Part It Plays in International Affairs."